

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ প্রোসপেক্টাস পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।

QUALIFIED INVESTOR OFFER OF 10,000,000 ORDINARY SHARES

OFFER PRICE: TK. 10.00 EACH AT PAR; TOTAL SIZE OF FUND TK. 100,000,000.00

ISSUE DATE OF THE PROSPECTUS: 08 May 2023

Opening and closing date of subscription:

Opening date of subscription: 11 June 2023
Closing date of subscription: 15 June 2023

PROSPECTUS

OF



MK Footwear PLC

Name of the Issue Manager and Underwriter



Alpha Capital Management Ltd.
A Full-Fledged Merchant Bank

(a) Preliminary Information and Declarations:

- (i) **Name(s), address(s), telephone number(s), web address(s), e-mail(s), FAX number(s) and contact persons of the issuer, issue manager(s), underwriter(s), auditors, credit rating company and valuer, where applicable;**

NAME & ADDRESS	CONTACT PERSON	TELEPHONE & FAX NUMBER, E-MAIL, WEB ADDRESS
ISSUER		
MK FOOTWEAR PLC Nayonpur Bazar, Chalkpara, Medical more, Mawna - Dulivita Rd, Mawna Union 1740, Gazipur.	Mohammed Tohidul Islam Company Secretary	Tel: +880-02-9836386, Fax: +880-02-9836386 E-mail: mkfootwearltdbd@gmail.com Website: www.mk- footwear.com
ISSUE MANAGER		
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UNDERWRITER		
ALPHA CAPITAL MANAGEMENT LIMITED Eastern Arzoo Complex (7thFloor), 61, Bijoy Nagar, Dhaka-1000.	Md. Rakib Sadi Company Secretary	Tel: +88-02- 48316540,48313947,48316519 Fax:+88-02-48316547 Email: alpha.acml@gmail.com Website: www.acmlbd.com
AUDITOR		
G. Kibria & Co. Chartered Accountants Sadharan Bima Sadan (5 th Floor) 24-25, Dilkusha Commercial Area, Dhaka-1000,Bangladesh	Sultan Moheuddin, FCA Partner	Phone: +88-02-223388071, 223355324, 48812330, 48812331 Email: kibria03@hotmail.com, gkibria@gkibriaandco.com Website: www.gkibriaandco.com

The company has no involvement with valuer; Credit rating is not applicable for the issue.

- (ii) A person interested to get a prospectus may obtain from the issuer, and the issue manager(s).
- (iii) **"If you have any query about this document, you may consult the issuer, issue manager and underwriter"**

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S) AND/OR VALUER (IF ANY).";

(v) 'Risks in relation to the First Issue'

"This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is taka 10.00 (ten) and the issue price is Tk 10 (ten), i.e. 'one times' of the face value. The issue price as determined should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital (SME) Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number(s) 13-18";

(vii) 'MK Footwear PLC's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus or information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the prospectus or information memorandum is true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.";

(b) Availability Of Prospectus

- (i) **Website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus are available in soft forms;**

The Prospectus in soft forms of MK Footwear PLC shall be obtained from the following addresses:

INSTITUTIONS	WEB ADDRESS	EMAIL ADDRESS	CONTACT PERSON
ISSUER			
MK FOOTWEAR PLC	www.mk-footwear.com	mkfootwearplcbd@gmail.com	Mohammed Tohidul Islam Company Secretary
ISSUE MANAGER			
ALPHA CAPITAL MANAGEMENT LIMITED	www.acmlbd.com	alpha.acml@gmail.com	Noor Ahamed, FCA CEO and Managing Director
STOCK EXCHANGES			
DHAKA STOCK EXCHANGE LIMITED	www.dsebd.org	reasearch@dsebd.org	Mrs. Souzia Afrin Librarian
CHITTAGONG STOCK EXCHANGE PLC.	www.cse.com.bd	jabed@cse.com.bd	Mohammad Habib Ullah Deputy Manager

Prospectus would also be available on the web sites of BSEC (www.sec.gov.bd) at the Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) Definitions and Acronyms or Elaborations:

A	
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of MK Footwear PLC
“Board” or “Board of Directors” or “our Board”	The Board of Directors of MK Footwear PLC, as duly constituted from time to time
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of MK Footwear PLC
“Our Company”	MK Footwear PLC, a public limited company
AGM	Annual General Meeting
Allotment	Return of Allotment of shares
B	
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BO A/C	Beneficiary Owner's Account
BIDA	Bangladesh Investment Development Authority
BSEC	Bangladesh Securities and Exchange Commission
BSc	Bachelor of Science
C	
CDBL	Central Depository Bangladesh Limited
Certificate	Share Certificate
CFO	Chief Financial Officer
CIB	Credit Information Bureau
Commission	Bangladesh Securities and Exchange Commission
CSE	Chittagong Stock Exchange PLC
D	
DSE	Dhaka Stock Exchange Limited
E	
EPB	Export Promotion Bureau
EPS	Earnings Per Share
EU	European Union
Exchanges	Stock Exchanges
F	
FC A/C	Foreign Currency Account
FOB	Free on Board
FY	Fiscal Year
G	
GBP	Great Britain Pound
GOB	Government of Bangladesh
I	
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards

Issue	Qualified Investor Offer (QIO)
Issue Manager	Alpha Capital Management Limited
Issuer	MK Footwear PLC
<i>L</i>	
L/C	Letter of Credit
LFMEAB	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh
<i>M</i>	
MA	Master of Arts
MKFPLC	MK Footwear PLC
<i>N</i>	
NAV	Net Asset Value
NBR	National Board of Revenue
NRB	Non-Resident Bangladeshi
<i>O</i>	
Offering Price	Price of the Securities of MK Footwear PLC
Our Company	MK Footwear PLC
<i>P</i>	
PE	Price to Earnings
<i>Q</i>	
QIO	Qualified Investor Offer
IQIO	First Offering Of Security By An Issuer To The Qualified Investors
<i>R</i>	
RJSC	Registrar of Joint Stock Companies and Firms
<i>S</i>	
Securities	Share of MK Footwear PLC
Securities Market	The Share Market of Bangladesh
Sponsors	The sponsor shareholders of MK Footwear PLC
Stock Holder	Share Holder
Subscription	Application Money
<i>T</i>	
The Company/Issuer	MK Footwear PLC
<i>U</i>	
UK Pound	United Kingdom Pound
USD	United States Dollar
<i>V</i>	
VAT	Value Added Tax
<i>W</i>	
WDV	Written Down Value
WPPF	Worker's Profit Participation Fund

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(b) Immediately preceding the table of contents, it shall be indicated that a prospectus may be obtained from the Issuer Company, issue manager, underwriter and stock exchange(s);

The prospectus may be obtained from the Issuer Company (MK Footwear PLC), Issue Manager (Alpha Capital Management Limited), Underwriter (Alpha Capital Management Limited), Dhaka Stock Exchange Ltd and Chittagong Stock Exchange PLC.

(C) The address and telephone number of the company, the issue manager, the underwriters, the auditor and the stock exchange(s).

NAME	ADDRESS	TELEPHONE NUMBER
ISSUER		
MK FOOTWEAR PLC	Nayonpur Bazar, Chalkpara, Medical more, Mawna - Dulivita Rd, Mawna Union 1740, Gazipur.	Tel: +880-02-9836386,
ISSUE MANAGER		
ALPHA CAPITAL MANAGEMENT LIMITED	Eastern Arzoo Complex (7thFloor), 61, Bijoy Nagar, Dhaka-1000.	Tel: +88-02 48316540, 48313947,48316519
UNDERWRITER		
ALPHA CAPITAL MANAGEMENT LIMITED	Eastern Arzoo Complex (7thFloor), 61, Bijoy Nagar, Dhaka-1000.	Tel: +88-02 48316540, 48313947,48316519
AUDITOR		
G. Kibria & Co. Chartered Accountants	Sadharan Bima Sadan (5th Floor) 24-25, Dilkusha Commercial Area, Dhaka-1000,Bangladesh	Phone: +88-02- 223388071, 223355324, 48812330, 48812331
STOCK EXCHANGES		
DHAKA STOCK EXCHANGE LIMITED	Dhaka Stock Exchange Ltd. Stock Exchange Building 9/F Motijheel C/A Dhaka-1000.	Phone: 02223384601 - 07
CHITTAGONG STOCK EXCHANGE PLC	Dhaka Office Chittagong Stock Exchange PLC. 52-53, Dilkusha C/A, (level-15), Dhaka-1000,	Phone : +880-2 9513911- 20

CHAPTER (I): Risk Factors and Management's Perception about the Risks

Any investment always associates with both internal and external risk factors having both direct and indirect effect on the investments made by the investor. Among those risks some can be averted, others are beyond control, which may cause loss. Before making any investment decision, investors need to consider the associated risk factors, the risk premium and management perception. If any of the following risks actually happens in the business, operational results and financial conditions could suffer and investors could lose their investments partly or fully. The management of MK Footwear PLC perceives the following risk factors, both external and internal, which are enumerated hereunder:

The disclosures of Risk factors shall include, where applicable, the following:

a) Interest Rate Risks;

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception:

The Management of MK Footwear PLC always emphasizes on the management of its finance to an optimum capital structure of the company, so that the cost of capital remains minimum. The management prefers to procure long-term loan with minimum interest rate and the short term fund with reasonable competitive rate. Moreover, the company has been repaying borrowed funds on a continuous basis. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing.

b) Exchange Rate Risks;

Foreign Exchange risk arises when an institution holds assets or liabilities in foreign currencies and impacts the earnings and capital of institution due to the fluctuations in the exchange rates. Institution cannot predict what the exchange rate will be in the next period, it can move in either upward or downward direction regardless of what the estimates and predictions were. This uncertain movement poses a threat to the earnings and capital of any institute, if such a movement is in undesired and unanticipated direction.

Management Perception:

The company receives the entire export proceeds in foreign currency and makes majority of the Import payments in foreign currency as well. For a given depreciation of Taka against a particular foreign currency like US Dollar, the import payment and export proceeds will both be higher in terms of Taka. In case of an appreciation of Taka against the same currency, the opposite will occur. Hence, the company has a natural hedge against exchange rate risk.

c) **Industry Risks;**

Industry risk is the possibility that a specific industry will not perform to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. Industry risk also refers to the risk of the increased competition from foreign and domestic sources leading to lower revenues, profit margins, market share etc. which could have an adverse impact on the business, financial condition and result of operation.

Management Perception:

MK Footwear PLC is aware of the continuing market situation of its raw materials. The management of MK Footwear PLC believes that long term planning for raw material management, exploring number of global markets, job wise costing for its finished products and trustworthy relations with the suppliers and mitigate the risk of rising of materials cost.

d) **Market and Technology-related Risks;****Market risks;**

Any economic recession, changes in tastes and fashions of the consumers, national income and other related factors may cause to decline the market demand of the company products.

Management perception:

MK Footwear PLC always gives values to its customers' satisfaction and changes in tastes and fashion. Hence, the company has been dedicated to delivering any changes in customers' demand and new fashion trend as well.

Technology-related risks;

Changes in technologies may hamper the cost efficiency of the Company.

Management perception:

MK Footwear PLC applies the latest technology in the manufacturing process in the production. MK Footwear PLC is very concerned using high performance and sophisticated equipment. Not only sophistication but also strength is one of our priorities. In case of new technologies, we have mastered adaptation techniques without hampering the cost efficiency of the company.

e) **Potential or existing government regulations;**

The Company operates under Company's Act 1994 and other related regulation, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

Management perception:

Since, Government regulations are mostly investment-friendly regarding export oriented sector. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected. The industry has experienced robust growth during the last decade which is likely to sustain in the near future. Therefore, it is highly unlikely that the government will initiate any economic measure having adverse effect on the growth of the industry.

f) **Potential changes in global or national policies;**

Risk related to potential changes in global or national policies determine the political instability and the associated deterioration of law and order stand in the way of timely implementation of the projects. Changes in existing global or national policies can have either positive or negative impacts for the Institutions. The performance of the institute will be hindered to unavoidable circumstance both in Bangladesh and worldwide like political turmoil.

Management perception:

Over the last decade the macro economy of Bangladesh has developed consistently; country's GDP has increased remarkably and living standard of the people has been higher. Most importantly, Government spending and public and private communication have increased drastically. All these macroeconomic features indicate larger economic activities in the country. Our management perceives that this economic trend will continue in the foreseeable future which will see good business profitability in the days to come.

g) **history of non-operation, if any;**

History of non-operation indicates weak operational management of the company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management Perception:

We know that, if operation is closed for one day it can hamper supply to our customers. In any situation, we do not compromise with our operation. Our company is operating continuously from the commercial operation to till date. For the smooth operation, we are very serious about our responsibilities towards our employees and workers. We have power supply back up with generator for uninterrupted operation as well. Such case did not happen in the history of our company.

h) **Operational risks;**

Operational risk is the risk of losses caused by flawed or failed processes, policies, systems or events that disrupt business operations. Due to the operational risk organization's people and processes may incur errors and contribute to ineffective operations.

Management Perception:

By evaluating operational risk, MKFPLC is always aware about practical remedial steps, which should be emphasized to eliminate exposures and ensure successful responses. We are also aware about monetary loss, competitive disadvantage, employee- or customer-related problems, and business failure related to operational risk.

i) **Risk relating to secondary trading of securities.**

The issue price will be determined on the basis of applicable law and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Issue Price.

Management Perception:

Mk footwear PLC is a 100% export oriented shoe manufacturer, selling and distributing its products to different overseas markets with name and fame. Hence, adding substantial amount to its bottom line profit which will enable handsome dividend to it's shareholders.

So, we can expect good price of our shares in secondary market. However, unavoidable market risk, or systematic risk, affects the performance of the entire market simultaneously.

j) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:

Management Perception:

MK Footwear PLC has no subsidiaries, joint venture and associate so this risk is not applicable with the issuer.

k) Enforcement of contingent liabilities which may adversely affect financial condition.

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

Management Perception:

We do not have any contingent liabilities which may adversely affect financial condition.

l) Insurance coverage not adequately protect against certain risks of damages.

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

Management Perception:

MK Footwear PLC is maintaining all risk insurance coverage & public liability insurance policy that protect against certain risks of damages. The company has taken industrial risk insurance policy from Green Delta Insurance Company Limited.

m) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law.

Any penalty or action taken by any regulatory authorities creates a negative impression on the issuer.

Management Perception:

No penalty or action had been taken by any regulatory authorities for non-compliance with provision of any law.

n) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case.

If any kind of Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case.

Management Perception:

The company did not have any litigation relating to Tax, VAT or other government claims against of our company.

o) Registered office or factory building or place of operation is not owned by the issuer.

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

Management Perception:

The Factory premise and registered office is located at Nayonpur Bazar, Chalkpara, Medical more, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh own by the Company.

p) Lack of renewal of existing regulatory permissions/ licenses.

In this case company is not following the law to renew its all licenses.

Management Perception:

All the regularity permissions/licenses are supervised by a dedicated team. So, risk with regard to lack of renewal of existing regulatory permissions/licenses is very remote.

q) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

Management Perception:

The company has no history of failure in holding AGM and MKFPLC has no subsidiaries or associates. Hence, this risk is not applicable.

r) Issuances of securities at lower than the QIO offer price within one year

Management Perception:

The Company never issued any of its securities at lower than the QIO offer price.

s) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

If any refusal happened in the above cases, it will create negative impression to the issuer.

Management Perception:

Neither the company nor any of its subsidiaries/associates have been refused by the Commission for public issue of any securities.

CHAPTER (II): USE OF PROCEEDS

(a) The prospectus shall show how the net proceeds of the offering shall be used, indicating the amount to be used for each purpose;

Use of the net proceeds from the QIO:

Net proceeds from Qualified Investor Offer (QIO) will be used for procurement of plant and machineries and to meet the QIO expenses.

Sources of Fund:

Issue size (Number of share to be issued)	Issue price	Amount in Taka
10,000,000 Shares	Tk. 10.00	100,000,000
Less: QIO Expenses		2,655,353
Net QIO Proceeds -		97,344,647

The details purpose with head-wise break-up;

SL	Particulars	Amount in Tk.
1	Procurement of Plant and Machineries	97,344,647
2	QIO Expenses	2,655,353
	Total -	100,000,000

Details are as follows:								
No.	DESCRIPTION	Brand Name	MODEL, FUNCTION AND FEATURES	QTY	UNIT	UNIT PRICE (USD)	AMOUNT (USD)	AMOUNT (BDT)
1	lamination machine	HEIQI	Model: HQ- 239 Dimension: L6000*W2500*H2400MM Voltage: 380V/50HZ Power: 40KW Speed:3~15m/min Weight:3500KG Use for all kinds of shoe materials attaching with backing reinforcement Features: Work to adjust the pressure and time, the bottom of shoe to be placed in the machine, all-round consolidation of pressure, the operation is very simple and quick. Origin: Made in China	1	SETS	\$12,000.00	\$12,000.00	1,234,320
2	Swing Cutting machine	HEIQI	Model:HQ-200 DIMESION: L1250*W550*H1600MM Cutting Power:20T Voltage:380V50HZ Power: 2HP AMPS: 4.5A Stroke distance: 5-100MM Work Table Size: 500*950MM Function: Use for leather and other shoes material cutting Features: Good quality, save power, easy operate, high cutting power, more fast cutting speed. Fine adjustment controlling can get best cutting depth easily, longer life of slab rubber. With self-lubricating system, to prevent damaging machine by feeding oil carelessly by hand. Origin: Made in China	4	SETS	\$1,500.00	\$6,000.00	617,160
3	Flat Cutting machine	HEIQI	Model: HQ-350 DIMESION: L1850*W550*H1600MM Cutting Power: 35T Voltage: 380V50HZ Power: 3HP AMPS: 4.5A Stroke distance: 5-100MM Work Table Size: 500*1600MM Function: Use for leather and other shoes material cutting Features: Good quality, save power, easy operate, high cutting power, more fast cutting speed. Fine adjustment controlling can get best cutting depth easily, longer life of slab rubber. With self-lubricating system, to prevent damaging machine by feeding oil carelessly by hand. Origin: Made in China	12	SETS	\$2,700.00	\$32,400.00	3,332,664
4	Skiving machine	XD	Model:TD-1928 Dimension:L1120*W420*H790MM Voltage: 220V50HZ Power: 400W AMPS: 1.8A	12	SETS	\$480.00	\$5,760.00	592,474

			<p>Max Skiving Width: 50MM Function: Use for leather and other shoes material edge skiving Features: Automatically dusts collecting system. Good quality, save power, easy operate, high skiving power, more fast skiving speed. With high quality materials & increase the durability & function. No noise, improve working environment of factory. Origin: Made in China</p>					
5	Auto printing Dryer machine	MG	<p>Model:HX-1209 DIMESION:L1200*W900*250MM Voltage:220V50HZ Power: 0.3HP AMPS: 1.5A Function: make screen printing dry more easily and moving automatically Features: screen printing lines infrared heating system, easy to move, small space, saving cost. Origin: Made in China</p>	4	SETS	\$680.00	\$2,720.00	279,779
6	Auto roller single needle sewing machine	TTY	<p>Model:TTY-9901 Dimension: L1150*W550*H795MM Voltage: 220V50HZ Power: 550W AMPS: 1.2A Max Sewing Speed:1700rpm Stitch Width:8mm Stitch Length:3 mm Function: It is suitable for sewing various kinds of car seat, interior decoration, cloth furniture, tent parachute, travel bag, sports goods and other kinds of leather, nylon, synthetic leather, canvas and thick material or thick material seams. Features: This type of machine has the functions of automatic tangent, automatic slit and automatic presser lifting, and the switching of presser foot's reciprocal motion and automatic switching device of stitch size. The feeding volume is large, the noise is low, and the tangent device is reliable and reliable. In the sewing process, the automatic switching of different needle distances can be conveniently carried out. The machine adopts pneumatic lifting and inverted joint, the inner Tibetan coiling device, the large top type knob can easily adjust the set pressure foot interaction, and automatically adjust the appropriate seam speed. The operation is simple and easy to operate. Origin: Made in China</p>	208	SETS	\$950.00	\$197,600.00	20,325,136
7	Auto roller double needle sewing machine	TTY	<p>Model:TTY-9902 Dimension: L1150*W550*H795MM Voltage: 220V50HZ Power: 550W AMPS: 1.2A Max Sewing Speed: 1700rpm Stitch Width: 8mm Stitch Length: 3 mm Function: It is suitable for sewing various kinds of car seat, interior decoration,</p>	40	SETS	\$1,100.00	\$44,000.00	4,525,840

			cloth furniture, tent parachute, travel bag, sports goods and other kinds of leather, nylon, synthetic leather, canvas and thick material or thick material seams. Features: This type of machine has the functions of automatic tangent, automatic slit and automatic presser lifting, and the switching of presser foot's reciprocal motion and automatic switching device of stitch size. The feeding volume is large, the noise is low, and the tangent device is reliable and reliable. In the sewing process, the automatic switching of different needle distances can be conveniently carried out. The machine adopts pneumatic lifting and inverted joint, the inner Tibetan coiling device, the large top type knob can easily adjust the set pressure foot interaction, and automatically adjust the appropriate seam speed. The operation is simple and easy to operate. Origin: Made in China					
8	Auto Zig-zag sewing machine	TTY	Model: TTY-513A Dimension: L1200*W600*H950MM Voltage: 220V50HZ Power: 650W AMPS: 1.2A Max Sewing Speed: 2800 rpm Stitch Length:0-9mm Needle Bar Stroke: 34mm Function: It is suitable for sewing various kinds of car seat, interior decoration, cloth furniture, tent parachute, travel bag, sports goods and other kinds of leather, nylon, synthetic leather, canvas and thick material or thick material seams. Features: This type of machine has the functions of automatic tangent, automatic slit and automatic presser lifting, and the switching of presser foot's reciprocal motion and automatic switching device of stitch size. The feeding volume is large, the noise is low, and the tangent device is reliable and reliable. In the sewing process, the automatic switching of different needle distances can be conveniently carried out. The machine adopts pneumatic lifting and inverted joint, the inner Tibetan coiling device, the large top type knob can easily adjust the set pressure foot interaction, and automatically adjust the appropriate seam speed. The operation is simple and easy to operate. Origin: Made in China	33	SETS	\$460.00	\$15,180.00	1,561,415
9	Binding machine	TTY	Model: TTY-303L Dimension: L1200*W600*H950MM Voltage: 220V50HZ Power: 650W AMPS: 1.2A Max Sewing Speed: 2800 rpm Stitch Length:0-9mm Needle Bar Stroke: 34mm Function: It is suitable for sewing various kinds of car seat, interior decoration, cloth furniture, tent parachute, travel bag, sports goods and other kinds of leather, nylon, synthetic leather, canvas and thick material or thick material seams.	4	SETS	\$1,380.00	\$5,520.00	567,787

			<p>Features: This type of machine has the functions of automatic tangent, automatic slit and automatic presser lifting, and the switching of presser foot's reciprocal motion and automatic switching device of stitch size. The feeding volume is large, the noise is low, and the tangent device is reliable and reliable. In the sewing process, the automatic switching of different needle distances can be conveniently carried out. The machine adopts pneumatic lifting and inverted joint, the inner Tibetan coiling device, the large top type knob can easily adjust the set pressure foot interaction, and automatically adjust the appropriate seam speed. The operation is simple and easy to operate.</p> <p>Origin: Made in China</p>					
10	High post sewing machine	TTY	<p>Model: TTY-498BF Dimension: L1200*W600*H1200MM Voltage: 220V50HZ Power:650W AMPS:1.2A Max Sewing Speed: 2800 rpm Stitch Length: 0-9 mm Needle Bar Stroke: 34mm</p> <p>Function: It is suitable for sewing various kinds of car seat, interior decoration, cloth furniture, tent parachute, travel bag, sports goods and other kinds of leather, nylon, synthetic leather, canvas and thick material or thick material seams.</p> <p>Features: This type of machine has the functions of automatic tangent, automatic slit and automatic presser lifting, and the switching of presser foot's reciprocal motion and automatic switching device of stitch size. The feeding volume is large, the noise is low, and the tangent device is reliable and reliable. In the sewing process, the automatic switching of different needle distances can be conveniently carried out. The machine adopts pneumatic lifting and inverted joint, the inner Tibetan coiling device, the large top type knob can easily adjust the set pressure foot interaction, and automatically adjust the appropriate seam speed. The operation is simple and easy to operate.</p> <p>Origin: Made in China</p>	3	SETS	\$1,150.00	\$3,450.00	354,867
11	Trimming machine	TTY	<p>Model: TTY-201 Dimensions: L650*W260*H560MM Voltage:220V50HZ Power:250W AMPS: 1.2A</p> <p>Function: Use for trimming edge of vamp lining products and rough edges footwear bottom.</p> <p>Features: Suitable for trimming edge of vamp lining, different sole, all kinds of rubber, plastic, leather etc products, high speed trimming with knives can remove the edge easily and does not damage the body, improve product quality.</p> <p>Origin: Made in China</p>	16	SETS	\$450.00	\$7,200.00	740,592
12	folding machine	TTY	<p>Model:TTY-747 Dimensions:1100*W650*H1400MM;Voltage:220V50HZ Power:250W AMPS: 1.2A Function: Suitable folding the edge of these materials with hot melt. Use screen, digital display for temperature control, hot</p>	3	SETS	\$1,000.00	\$3,000.00	308,580

			melt flow control etc. steeples speed change for hot melt flow. Advanced folding equipment, easy for operating and good folding quality. Features: Folding edge can adjust from 3-6.5mm, by the mean time do the tape folding. Suitable for folding edge of all kinds of rubber, plastic, leather etc. products, high speed folding with hot melt. Origin: Made in China					
13	Emboss machine	MG	Model:HX-5KW Dimension: L1780*W1140*H2000MM Voltage:380V50HZ Power:3HP AMPS: 21A H.F. Out 3KW Function: The machine uses high-frequency electric field to reverse the plastic polar molecules to produce frictional heat, so as to achieve the purpose of welding Features: The temperature of the welding of this machine is uniform inside the table. Any PVC content of more than 10% of the plastic sheet, no matter how hard and soft, can be used high frequency plastic welding machine heat sealing. The leather industry can also use the machine on the leather embossed, plastic. Origin: Made in China	3	SETS	\$3,200.00	\$9,600.00	987,456
14	Emboss machine	MG	Model:HX-8KW Dimension: L1780*W1140*H2000MM Voltage:380V50HZ Power:3HP AMPS: 21A H.F. Out 5KW Function: The machine uses high-frequency electric field to reverse the plastic polar molecules to produce frictional heat, so as to achieve the purpose of welding Features: The temperature of the welding of this machine is uniform inside the table. Any PVC content of more than 10% of the plastic sheet, no matter how hard and soft, can be used high frequency plastic welding machine heat sealing. The leather industry can also use the machine on the leather embossed, plastic. Origin: Made in China	3	SETS	\$3,800.00	\$11,400.00	1,172,604
15	Hot pressing machine	XD	Model:TD-668 Dimension: L0.93*W0.45*H1.15M Voltage:220V50HZ Power:2.5KW AMPS:2.5A Function: The machine uses high temperature to reverse the plastic polar molecules to produce frictional heat, so as to achieve the purpose of welding Features: The temperature of the welding of this machine is uniform inside the table. Any PVC content of more than 10% of the plastic sheet, no matter how hard and soft, can be used high frequency plastic welding machine heat sealing. Origin: Made in China	6	SETS	\$520.00	\$3,120.00	320,923
16	Hot pressing machine	MG	Model:HX-669 Dimension: L2.06*W1.45*H2.00M Voltage:220V50HZ Power:20KW AMPS:2.5A Function: The machine uses high temperature to reverse the plastic polar molecules to produce frictional heat, so as to achieve the purpose of welding Features: The temperature of the welding of this machine is uniform inside the table. Any PVC content of more than 10% of the plastic sheet, no matter how hard and soft, can be used high frequency plastic welding machine heat sealing.	8	SETS	\$4,950.00	\$39,600.00	4,073,256

			Origin: Made in China					
17	Auto hot pressing machine	XD	Model:TD-900 Dimension: L2.62*W1.45*H1.28M Voltage:380V50HZ Power:.12KW AMPS:2.5A Function: The machine uses high temperature to reverse the plastic polar molecules to produce frictional heat with belt conveyer automatically, so as to achieve the purpose of welding Features: The temperature of the welding of this machine is uniform inside the table. Any PVC content of more than 10% of the plastic sheet, no matter how hard and soft, can be used high frequency plastic welding machine heat sealing. Origin: Made in China	2	SETS	\$3,400.00	\$6,800.00	699,448
18	Auto glue spraying machine	XD	Model:TD-528 Dimension:L1050*W480*H1200MM Air pressure:0.2~0.5mpa Function: Use for spraying glue onto the leather, pu, pvc, fabric for attaching Features: This machine comes with automatic control system, easy to clear, strong suction, less noise brush glue evenly. Origin: Made in China	17	SETS	\$380.00	\$6,460.00	664,476
19	Auto pattern sewing machine 2010	YWK	MODEL:YWK-1310H-03A POWER:550W Dimension: L1300*W1250*H110MM Voltage:220V50HZ Power:750W AMPS:600VA Max Sewing Speed: 2000 rpm Needle Sized*17 Weight: 195 kg Function: Use for garment, luggage, bags, footwear etc. Features: New mechanism of pendulous needle with fast sewing speed. Data Memory: USB Origin: Made in China	2	SETS	\$3,000.00	\$6,000.00	617,160
20	Auto pattern sewing machine 3020	YWK	MODEL:YWK-3020H-03A POWER:550W Dimension: L1300*W1450*H110MM Voltage:220V50HZ Power:750W AMPS:600VA Max Sewing Speed: 2000 rpm Needle Sized*17 Weight: 195 kg Function: Use for garment, luggage, bags, footwear etc. Features: New mechanism of pendulous needle with fast sewing speed. Data Memory: USB Origin: Made in China	24	SETS	\$4,000.00	\$96,000.00	9,874,560
21	Hammering machine	XD	Model: TD-235 Dimension: L650*W600*H1300MM Voltage:220V50HZ Power: 250W AMPS:0.9A Function The machine has a hammering and electric ironing function for sports shoes Features: The shoes can be hammered and ironing. so fold smooth and beautiful, hammering frequency up to 2000 times per minutes, high efficiency. Origin: Made in China	16	SETS	\$350.00	\$5,600.00	576,016
22	Auto eyelet setting machine	MG	Model:HX-516 Dimension:L550*W750*H1500MM 220V50HZ Function: Use for fixing eyelets on lever arch files, danglers, tags, garments, shoes, belts, handbags, For eyelets/grommets with washers, this machine is also a good choice. For single-piece eyelets/grommets, Features: this machine is fully automatic. For washer of hooks and D-rings, this machine is fully automatic. Origin: Made in China	8	SETS	\$2,350.00	\$18,800.00	1,933,768

23	Upper Counter forming machine	MG	Model: HX-244 Dimension: L0.93*W0.75*H1.25M Voltage: 380V/50HZ Power:4.5KW AMPS:4.5A Function: Use for forming the counter shape of men's and women's shoes before lasting Features: Double bend counter press allows a better effect of dual angularity, let the angularity fit to paper pattern. Origin: Made in China	4	SETS	\$4,200.00	\$12,500.00	1,285,750
24	Thread burner Machine	XD	Model: TD-243 Dimension: L500*W240*H170MM Voltage: 220V50HZ Power:¼ HP AMPS: 1.5A Function: Use for burning thread of shoe upper Features: The operation is very simple, turn on the switch, the wire dryer works, the heat is heated, the motor fan in the seat blows, the same as the hot air pipe, inside outer insulation , there will be no burn accident, will not cause a fire. Keep staff free of burns. Origin: Made in China	20	SETS	\$40.00	\$800.00	82,288
25	Strobling machine	TTY	Model: TTY-600 Dimension: L495*W400*H385MM Voltage:220V/50HZ Power:250W AMPS:1.2A Max Sewing Speed: 2800 rpm Stitch Length:8mm Needle Size: DPx5 Function: This machine is suitable for the stitching of sneakers, California midsole. Features: Better handing due to extra-large clearance under front cup arm. Easy adjustment of stitch length by push button. Designed for easy operation, this increase output. Origin: Made in China	12	SETS	\$550.00	\$5,000.00	514,300
26	Sewing Conveyer Machine	MG	Model:HX-88110A Dimension: L18000*W1100*H600MM Voltage:380V50HZ Power:0.75HP Function: Use for transportation system on production lines. Features: easy to move, simple design, saving cost. Origin: Made in China	16	SETS	\$1,800.00	\$28,800.00	2,962,368
27	Bottom Conveyer Machine	MG	Model:HX-88110B Dimension: L20000*W1100*H600MM Voltage:380V50HZ Power:0.85HP Function: Use for transportation system on production lines. Features: easy to move, simple design, saving cost. Origin: Made in China	2	SETS	\$3,150.00	\$6,300.00	648,018
28	Bottom Hot chamber Machine	MG	Model:HX-8811 Dimension: L2000*W1100*H600MM Voltage:380V50HZ Power:1/2HP AMPS:18A Function: Use for heating system on production lines. Features: Infrared heating system, easy to move, small space, saving cost. Origin: Made in China	6	SETS	\$800.00	\$4,800.00	493,728
29	Outsole Stitching machine	Baolin	Model:BL168 Dimension:L1050*W590*H1430MM; Voltage:220V50HZ Power:0.75KW Function: This machine is suitable for the hollow nail riveting including rivet, decorative buckles, handbags, shoes and garments of tags, various kinds of leather goods and belts. The buckle	4	SETS	\$1,800.00	\$7,200.00	740,592

			automatically feeding makes machine safer, more efficient, stable and reliable. And it has multi-purposes. When changing rivet, you can just change the parts, and the similar rivets can be generic. This machine is very ideal and widely adopted. Origin: Made in China					
30	Auto glue rolling machine	XD	Model:TD-9908 Dimension:L520*W335*H315MM Voltage:220V/50HZ Power:250W Function: This machine is suitable for insole, cutting pieces, and automatic stronger glue This machine is equipped with constant temperature device, protecting motor and also equipped with exhauster to eliminate odor and dissipate heat.	10	SETS	\$250.00	\$2,500.00	257,150
31	Bottom Inside Buffing machine with automatic dust suction	MG	Model: HX- 6219 Dimension:L900*W850*H1450MM Voltage:380V50HZ AMPS:3A Power: 2HP Function: Use for roughing buffing outsole inside of welt to make the lasting allowance floatable before sole attaching. Features: This machine comes with automatic dust collector system, easy to clear, strong suction, less noise. Origin: Made in China	1	SETS	\$3,200.00	\$3,200.00	329,152
32	Bottom Buffing machine with automatic dust suction	MG	Model: HX-429 Dimension: L1150*W900*H1300MM Voltage: 380V50HZ AMPS:3A Power:2HP Use for roughing buffing to make the lasting allowance floatable before sole attaching. Features: This machine comes with automatic dust collector system, easy to clear, strong suction, less noise. Variable speed running smoothly, speed adjustable. International brand bearings is used for the machine spindle Origin: Made in China	1	SETS	\$1,200.00	\$1,200.00	123,432
33	Bottom pressing machine	MG	Model:HX-685B Dimension:L1200*W1280*H1920MM Voltage:380V50HZ Power:3HP AMPS:4.5A Oil Pressure: 20~50kg/s.cm Function: It is applicable to the joining of uppers and soles of many kinds of shoes, the all-around Features: The machine can finish the bonding of sole and uppers underside with a hydraulic system, and the bounding of sole and uppers side will be completed with pneumatic system, high pressure, firm bonding and high efficiency. The front and rear press rod equipped with automatic balance hydraulic device, the high and low position is not necessary to adjust. The pressing time can be freely adjusted according to the different shoes. Origin: Made in China	1	SETS	\$2,000.00	\$2,000.00	205,720
34	Lasting Conveyer Belt Machine	MG	Model:HX-88110C Dimension: L14000*W1100*H600MM Voltage:380V50HZ Power:0.75HP Function: Use for transportation system on production lines. Features: easy to move, simple design, saving cost. Origin: Made in China	2	SETS	\$2,500.00	\$5,000.00	514,300
35	Lasting Hot Chamber	MG	Model:HX-8811 Dimension: L2000*W1100*H600MM Voltage:380V50HZ	2	SETS	\$750.00	\$1,500.00	154,290

	Machine		Power:1/2HP AMPS:18A Function: Use for heating system on production lines. Features: Infrared heating system, easy to move, small space, saving cost. Origin: Made in China					
36	Steaming machine	MG	Model: HX-518 Dimension: L1200*W710*H1300MM Voltage: 380V50HZ AMPS:18A Power: ¼HP Function: Mix steam and hot air for removing the wrinkles on upper. Features: According to different upper material, adjust the mix air temperature for best efficiency. Accurate electric control system used for steam supplying, keep supply large quantity and continuous. Origin: Made in China	4	SETS	\$700.00	\$2,800.00	288,008
37	Lasting Vamp forming machine	MG	Model:HX-244 Dimension: L1.53*W0.75*H1.85M Voltage:380V50HZ Power:4.5KW AMPS: 4.5A Function: Use for forming the vamp shape of men's and women's shoes before lasting Features: Double bend vamp press allows a better effect of dual angularity, let the angularity fit to paper pattern on lasts Origin: Made in China	1	SETS	\$5,000.00	\$5,000.00	514,300
38	Lasting Vamp forming machine	MG	Model:HX-245 Dimension: L1.53*W0.75*H1.85M Voltage:380V50HZ Power:4.5KW AMPS: 4.5A Function: Use for forming the vamp shape of men's and women's shoes before lasting Features: Double bend vamp press allows a better effect of dual angularity, let the angularity fit to paper pattern on lasts Origin: Made in China	2	SETS	\$3,500.00	\$7,000.00	720,020
39	Auto toe lasting machine	MG	Model: HX-558C Dimension: L1800*W1100*H2100MM Voltage: 380V50HZ Power:2HP AMPS:3A Function: Use for all kinds of men's, women's flat shoe, high heel shoes and boots of toe lasting. Features: Each set of pincers can be individually adjusted to their corresponding positions and be function with automatic balancing; besides, an automatic down pulling stroke can be selected and controlled according to the tension of upper. The independent pincers can be individually adjusted to cope with the lasting of any shape of shoe toes. The automatic balance device and the theory of automatic descending on wipers advancing are the very key points for upgrading the quality and raising the production capacity. The wipers are functioned with inching movement and speed adjustment, which makes the whole adjust movement and speed adjustment, which makes the whole adjustment of lasting control more convenient. The height of the last support plate is remotely controlled. There is a numerical instruction provided for reference which makes the operation easier and more efficient. The pincers fixed adopts the double-	4	SETS	\$11,500.00	\$46,000.00	4,731,560

			tracking structure. It is independently adjusted on the right and left. The rotary point of pincers fixed plate is located at the joint between the first and second pincers. The curve in between will not be changed when the groups of right and left pincers are adjusted, which will make the uppers more attached to the lasts. Origin: Made in China					
40	Heel lasing machine	MG	Model: HX-828C Dimension: L1200*W800*H1500MM Voltage: 380V50HZ AMPS:3A Power: 2 HP Capacity: 2000 pairs/ 8 hours Use for all kinds of men's, women's flat shoes high heel shoes and boots of heel lasting. Features: The machine is suitable for lasting the shoes with general and soft midsole and with the heels at height less than 180mm. This machine is equipped with lasting height micro with, which makes the machines easily adjusted and finds position accurately. We have full size of wipers and forming bands. Which are fitted for shapes of shoes. The forming bands are wrapped by chain and can accordingly produce a good forming effect. The machine adopts gears, Gear racks and ratchets design to quickly and precisely adjust the auxiliary supporter. he second time and pressing of the last supporter works with the wiper heating device to increase the lasting effect. It smoothed the lasting areas and upgrades the quality of the shoes. Origin: Made in China	2	SETS	\$5,050.00	\$10,100.00	1,038,886
41	Auto wrinkles-removing machine	XD	Model: HX-636 Dimension: L1230*W810*H1220MM Voltage:380V50HZ AMPS:18A Power:¼ HP Function: Mix steam and hot air for removing the wrinkles on upper. Features: According to different upper material, adjust the mix air temperature for best efficiency. Accurate electric control system used for steam supplying, keep supply large quantity and continuous. Steam supply system can keep warm for production. Hot air temperature can reach 400°C, with strong steam can remove the wrinkles on upper very quickly. Origin: Made in China	4	SETS	\$1,050.00	\$4,200.00	432,012
42	Auto heating machine	MG	Model:HX-288 Dimension:L6005*W1700*H1600MM Voltage:380V50HZ Amps:18A Function: Used for forming all kinds of the shoe shape of men's and women's shoes after lasting Features: Double bend counter press allows a better effect of dual angularity, let the angularity fit to paper pattern Origin: Made in China	2	SETS	\$4,400.00	\$8,800.00	905,168
43	Marking machine	XD	Model:TD-9906 Dimension: L550*W450*H1650MM Air Power:0.2~0.5mpa Function: Use for marking the lasting allowance before buffing. Features: The bottom of this machine adopts many pieces of high strength	4	SETS	\$520.00	\$2,080.00	213,949

			ductile adhesive, the pressure can be adjusted automatically, and can be adjusted automatically according to the shape of the bottom of all kinds of shoes. The front and back and the inner height are consistent. The sole and shoe last can be matched without any material, and no errors will be produced. The front and rear pressure bar is an automatic cylinder, which is not adjusted according to the height and height of the shoe last in operation. Can automatically adjust the pressure balance. Save time, labor, improve production efficiency. Origin: Made in China					
44	Buffing Line Machine	MG	Model:HX-88110D Dimension: L6000*W1100*H600MM Voltage:380V50HZ Power:0.5HP Function: Use for transportation system on production lines. Features: easy to move, simple design, saving cost. Origin: Made in China	2	SETS	\$1,200.00	\$2,400.00	246,864
45	Buffing machine with automatic dust suction	MG	Model: HX-429 Dimension: L1150*W900*H1300MM Voltage: 380V50HZ AMPS:3A Power:2HP Function: Use for roughing buffing to make the lasting allowance flatable before sole attaching. Features: This machine comes with automatic dust collector system, easy to clear, strong suction, less noise.Variable speed running smoothly, speed adjustable. International brand bearings is used for the machine spindle Origin:Made in China	2	SETS	\$1,300.00	\$2,600.00	267,436
46	Buffing machine with automatic dust suction	MG	Model: HX-430 Dimension:L1450*W900*H1300MM Voltage: 380V50HZ AMPS:3A Power:2HP Function: Use for roughing buffing to make the lasting allowance floatable before sole attaching. Features: This machine comes with automatic dust collector system, easy to clear, strong suction, less noise. Variable speed running smoothly, speed adjustable. International brand bearings is used for the machine spindle. Origin: Made in China	2	SETS	\$1,300.00	\$2,600.00	267,436
47	Hand buffing table machine	XD	Model:HX-516 Dimension:L600*W760*H1400MM Voltage:380V50HZ Power:1Hp Amps:1.5A Function: Use for buffing to make the lasting allowance flatable before sole attaching. Features: This machine comes with automatic dust collector system, easy to clear, strong suction, less noise. Variable speed running smoothly, speed adjustable. This machine spindle is used of international brand bearings. Origin: Made in China	6	SETS	\$820.00	\$4,920.00	506,071
48	Handing buffing machine	MG	Model:TD-9907 Dimension:L18*W6MM Air pressure:0.2mpa Function: Use for buffing to make the lasting allowance floatable before sole attaching. Features: specially for small area, easy to clear, adjustable.	16	SETS	\$35.00	\$560.00	57,602

			Origin: Made in China					
49	Mid-section double layer conveyer Belt Machine	MG	Model: HX-88110E Dimension: L26000*W140*H1500MM Voltage: 380V50HZ AMPS:3.4A Power: 1HP Function: Use for all kinds of men's, women's flat shoe, high heel shoes and boots of sole attaching conveying. Features: Compact design, easy for management and save space. User- Friendly design, release the tire from the operator and reduce smell damage. Origin: Made in China	2	SETS	\$35,000.00	\$70,000.00	7,200,200
50	Cap outsole press machine	XD	Model:HX-685A Dimension:L1200*W890*H1120MM Voltage:380V50HZ Power:1HP AMPS: 1.5A Air Pressure:10~25kg/s.cm Function: It is applicable to the joining of uppers and soles of many kinds of shoes, the all-around Features: The machine can finish the bonding of sole and uppers underside with a hydraulic system, and the bounding of sole and uppers side will be completed with pneumatic system, high pressure, firm bonding and high efficiency. The front and rear press rod equipped with automatic balance hydraulic device, the high and low position is not necessary to adjust. The pressing time can be freely adjusted according to the different shoes. Origin: Made in China	1	SETS	\$850.00	\$850.00	87,431
51	Computer wall outsole press machine	MG	Model:HX-685B Dimension:L1200*W1280*H1920MM Voltage:380V50HZ Power:3HP AMPS:4.5A Air Pressure: 20~50kg/s.cm Function: It is applicable to the joining of uppers and soles of many kinds of shoes, the all-around Features: The machine can finish the bonding of sole and uppers underside with a hydraulic system, and the bounding of sole and uppers side will be completed with pneumatic system, high pressure, firm bonding and high efficiency. The front and rear press rod equipped with automatic balance hydraulic device, the high and low position is not necessary to adjust. The pressing time can be freely adjusted according to the different shoes. Origin: Made in China	4	SETS	\$8,500.00	\$34,000.00	3,497,240
52	Auto cooling machine	MG	Model:HX-289 Dimension:L7005*W1700*H1600MM Voltage:380V50HZ Amps:18A Function: Used for keep the shoe shape of all kinds of men's and women's shoes high and low side of the finished shoes after sole attaching. Features: adjustable temperature, air flow system to let the angularity fit to shoe lasts. Origin: Made in China	2	SETS	\$9,800.00	\$19,600.00	2,016,056
53	Packing Conveyer Belt Machine	MG	Model:HX-88110F Dimension: L22000*W1100*H600MM Voltage:380V50HZ Power:1HP Function: Use for transportation system on production lines. Features: easy to move, simple design, saving cost. Origin: Made in China	2	SETS	\$4,500.00	\$9,000.00	925,740
54	Lasts take-off	XD	Model:HX-601 Dimension: L810*W630*H1120MM Voltage:380V50HZ	2	SETS	\$520.00	\$1,040.00	106,974

	machine		AMPS:1.5A Power:1HP Function: The machine is used for improving the speed and efficiency when pull out the last. Features: Save work, fast speed suitable for all kinds of shoe factory and different shoes styles. Adjust to operate the machine with less problem and noises. Pressing button for easy operation, up to down action is with curve, oil motor strong power never hurt shoe upper, high capacity. Origin: Made in China					
55	Polish machine	MG	Model: HX-4299 Dimension:L1450*W900*H1300MM Voltage: 380V50HZ AMPS:3A Power:2HP Function: Use for shoe finishing with shoe cream, max and so on. Features: This machine comes with automatic dust collector system, easy to clear, strong suction, less noise. Variable speed running smoothly, speed adjustable. International brand bearings is used for the machine spindle. Origin: Made in China	4	SETS	\$1,350.00	\$5,400.00	555,444
56	Packing Hot chamber Machine	MG	Model:HX-8811 Dimension: L2000*W1100*H600MM Voltage:380V50HZ Power:1/2HP AMPS:18A Function: Use for heating system on production lines. Features: Infrared heating system, easy to move, small space, saving cost. Origin: Made in China	2	SETS	\$1,100.00	\$2,200.00	226,292
57	Ink spraying machine	MG	Model:HX-5299 Dimension:L1850*W680*H1600MM Voltage:220V50HZ Power: ¼ HP AMPS: 1.6A Function: Use for collecting the water/ink/liquid chemical waste etc. Features: This machine can control circumstances when spraying water/ink/liquid chemical etc. Origin: Made in China	2	SETS	\$720.00	\$1,440.00	148,118
58	UV tunnel Machine	MG	Model:HX-287 Dimension:L3005*W1700*H1600MM Voltage:380V50HZ Amps:18A Function: Used for all kinds of men's and women's shoes high and low side of the finished shoes and high boots sterilization steam. Features: Adjustable delivery control system, effective, more mobile. Large space, automatic control sterilization and steam, good effect. Origin: Made in China	2	SETS	\$3,600.00	\$7,200.00	740,592
59	AIR COMPRESSOR	BOREAS	Model: BK30-10-1 Dimension: L1120*W930*H1290MM Voltage: 220V50HZ Power: 30KW AMPS: 1.8A Delivery pressure: 1.0Mpa Noise: 75dB Weight:650KG Function: Use for pressure air in different industry. Features: The two-stage compression reduces the compression ratio of each stage, reduces the internal leakage, improves the volume efficiency, reduces the bearing load, and improves the life of the main engine. Origin: Made in China	1	SETS	\$2,200.00	\$2,200.00	226,292
60	REFRIGERATION	BOREAS	Model:BK30-10-2 Dimension:L1100*W650*H950	1	SETS	\$450.00	\$450.00	46,287

	DRYER		Function: The inlet temperature $\leq 80^{\circ}\text{C}$ and the pressure loss ≤ 0.025 mpa, pressure dew point $2-10^{\circ}\text{C}$. Shutter steam separator, integrating collision and centrifugal effect, water separation efficiency is more than 98%; water condenser is low-wing copper pipe, slow flow, multi-stroke, high heat transfer efficiency, long-term use is not easy to scale; compressor protection grade is ip54(dust and spatter) Origin: Made in China					
61	Filtering Machine	BOREAS	Model: BK30-10-3 Dimension: W350*H550MM Function: Filtration accuracy 0.01μ , water removal rate 100%, oil mist 99.999%, residual oil rate :0.002 ppm. Meet the needs of precision instruments, spray paint, food and food packaging and electronics industry. Origin: Made in China	2	SETS	\$80.00	\$160.00	16,458
62	Air Tank Machine	BOREAS	Model: BK30-10-4 Dimension: W750*H1850MM Function: Pressure vessels specially used to store compressed air, mainly used to store air buffer, at the same time play the role of stabilizing system pressure, to avoid frequent unloading of air compressor and remove most of the liquid water. Origin: Made in China	1	SETS	\$270.00	\$270.00	27,772
63	Manual foaming machine (horizontal type)		Model:GHFP15 (1) Mixing capacity: 180 liters (2) Total power of mixing head 15KW (3) Mixing speed: 2800 r. p. minute (4) Total power: 15KW (5) Machine net weight: 800kg (6) with two mixing drums (7) Original: Schneider Electric appliances.(8) frequency converter: Japanese Mitsubishi brand (9) formula mold 1 set: (w2050 L2050 h1200) (can be customized)	1	SETS	\$5,500.00	\$5,500.00	565,730
64	Bubble cotton round mold		Model: GHYM (1) Foam size: \varnothing 1600mm * H2200mm (2) steel structure manufacturing (3) plus flat top device (4) plus center hole device	1	SETS	\$3,000.00	\$3,000.00	308,580
65	Sponge round-cutting machine (computer digital type)		Model:GHYQ-2150 (1) Maximum pressure cutting size: \varnothing 2000 * 2150mm (2) maximum pressure cutting density: 60 cubic meters (3) Cutting thickness range: 2-25mm (4) rotation speed: 25-30m / min (5) Band length: 9260mm (6) Total power: 6.94KW (7) Machine weight: 1800KG (8) Machine shape size: L4430 * W1650 * H1950mm (9) Electrical original: Schneider Electric.(10) Dongguan Global motor accessories: 3 knife belts, 4 grinding wheels, maintenance sets	1	SETS	\$11,000.00	\$11,000.00	1,131,460
TOTAL MACHINERY AMOUNT: _							\$891,380.00	91,687,347
FREIGHT CHARGE -							\$55,000.00	5,657,300
TOTAL -							\$946,380.00	97,344,647

(b) The prospectus shall also include a schedule mentioning the stages of implementation and utilization of funds received through public offering, mentioning about the approximate date of completion of the project and the projected date of full commercial operation. The schedule shall be signed by the chief executive officer and the chief financial officer of the issuer;

Utilization of Fund along with Stage of Implementation

MK Footwear PLC will utilize the total proceeds raised through Qualified Investor Offer (QIO) for procurement of plant and machineries and to meet the QIO expenses as per the following schedule:

Sl. No.	Utilization of Fund	Amount to be Utilized	Progress made so far	Implementation Schedule of QIO Proceeds	Projected Date of full Commercial Operation
1	Procurement of Plant and Machineries	97,344,647	Will be started after receiving QIO fund	Within 12 months of receiving QIO fund	After Completion of Expansion of existing project.
2	QIO Expenses	2,655,353		Within 3 months of receiving QIO fund	N/A
Total -		100,000,000			

Sd/-
Noor Mohammed
 Managing Director

Sd/-
Mohammad Mahabub Alam
 Chief Financial Officer

(c) If there are contracts covering any of the activities of the issuer company for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the prospectus shall disclose the terms of such contracts, and copies of the contracts shall be filed with the Commission as annexure to the prospectus.

There is no such contract yet to be engaged by the Company.

CHAPTER (III): Description of Business

(a) The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in shall be stated in the prospectus;

The company was incorporated as a private limited company under the Companies Act 1994, vide registration no: C-126912/2015 on November 12, 2015 subsequently was converted to public limited company on May 29, 2022 and split of Share value from Tk. 100 to Tk. 10 dated on March 28, 2022.

The Company started its commercial operation on July 02, 2020.

The company is engaged in the production of all types of quality leather/synthetic footwear and export 100% of its product to international market.

The company has no subsidiary and/or associate company.

(b) The prospectus shall contain the information in respect of its business operation, for example:

i) The principal products or services of the company and the markets for such products or services;

The Company produces a single product 'Shoes' of various specifications, compositions, color and qualities. Following table shows various attributes of the Company's product 'Shoes':

Product Name	Specification	Market
Shoes	Sports shoes, Leather shoes and other footwear for kids, ladies and gents.	Netherlands, Spain, Sweden, Switzerland, Canada, Germany, Brazil, US, China etc.

ii) If the company has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;

MK Footwear PLC is a 100% export oriented shoe manufacturer. It produces or markets different types of shoe/ footwear to overseas markets which accounts for hundred percent of its total turnover.

iii) Names of associates, subsidiary/related holding company and their core areas of business;

MK Footwear PLC has no associates, subsidiary/related holding company.

iv) How the products or services are distributed;

On receiving the orders from its customers, MKFPLC produces the products and supplies to the different destination as per the requirements of the customers. Since the company is 100% export oriented company it sells its products through L/C and sales contract.

v) Competitive conditions in the business;

MK Footwear PLC is operating in a free market economy regime. The Company operates in a highly competitive business. The major competitors of the Company are as follows:

Non-listed:

Sl. No.	Name of Competitors
1	Edison Footwear Ltd.
2	Shoeniverse Footwear Ltd.
3	Parasole Footwear Ltd
4	Patenga Footwear Ltd.
5	Jihan Footwear Ltd.

Listed:

Sl. No.	Name of Competitors
1	Apex Footwear Ltd.
2	Samata Leather Complex Ltd.
3	Legacy Footwear Ltd.
4	Fortune Shoes Ltd.

vi) Sources and availability of raw materials and the names of the principal suppliers;

Foreign			
Sl.	Name of Supplier	Category of Supply	Address
01	Zhejiang Kingwood Internet Technology Co.,Ltd	Outsole Diff. Types, PU For Upper diff. Types , Fabric Lining Diff.Types, Label Diff. Type, EVA Sheet Diff.Types, Insole Board Diff. Types , Toe Puff Diff. Types, Counter Materials Diff.Types, Glass Wool Diff.Types, Foam Diff.Types, Synthetic Lining Diff. Types, PU Lining Diff.Types, Binding Materials Diff. Types, Sewing Thread Diff types and colour, Hang Tag , Shoe Box Diff.Sizes, Packaging Adhesive Tape Diff. Types, Packaging Adhesive Tape Diff. Types, Nylon Tape Diff Types, Non Woven Diff.Types, Steel Shank diff types, Zipper, Hooks eyes and eyelet, Shoe Last, Velcro (Hook+Loop), Mould diff. Type, Wax diff. Types etc	Room 02, Floor 14,Building A,New Century Commercial Mansion,Shangjiang Rd.,Longwan District,Wenzhou,China
02	Quanzhou Ali One Touch Business Service Co. Ltd	DO	Unit 512, Building 5,Jinjiang Cross-Border E-Commerce Hongshan Park, Qingyang Subdistrict, Jinjiang City, Quanzhou City, Fujian Province.
03	Xiamen Keeyuan Trading Co., Ltd.	DO	Unit 2201-7, A Tower, Itg Center, No.4688, Xianyue Road, Huli District, Xiamen, China.
04	Fujian Uptop Trading Co. Ltd	DO	18/F, Zhongfu Plaze, No.92 Dongjie Road, Fuzhou, Fujian China

05	Fujian Junlian Shoes Co., Ltd	DO	11F,JINYE International Building, No.88, Shuanglong Road, Meiling Street, Jinjian City, Quanzhou City, Fujian Province, China
06	Vast Ocean Trading Company Limited	DO	Unit A, 15f, Sunshine Plaza, 353 Lockhart Road, Wanchai, Hongkong.
07	Ivy-Atlas International Limited	Adhesive, Primer, Hardner, Latex etc.	Flat E, 2/F. Rial To Mansion, 183 King's Road, North Point, Hongkong
08	Zinnia International Co, Ltd	Finished Leather	5f-1, No.26-2, Nong An St Zhongshan Dist., Taipei, Taiwan.
09	H. Sadar Ali Akhtar Ali Pvt Ltd	Finished Leather	14 G.T Road, Hide Market, Lahore, Pakistan.
10	Khaja Tanneries Pvt Ltd	Finished Leather	Mehr Manzil, Lohari Gate, P.O.Box #28, Multan, Pakistan.
11	Dada Enterprises Pvt Ltd	Finished Leather	Dada House, Hide Market, G.T Road, Lahore-54900, Pakistan.

Local			
Sl.	Name of Supplier	Category of Supply	Address
1	Nixon Box Industries Ltd	Inner box, label & Master Carton	New Town, Golan, Kaligonj, Gazipur.
2	Miah & Sons Industries Ltd	Master carton	Barabo, Shakaswar, Kaliakoir, Gazipur-1703
3	Amas industries Ltd	Inner box & Master Carton	Shirirchala, Bhobanipur, Gazipur, Gazipur.
4	Sadar Tannery Ltd	Leather	Hemayetpur, savar, Dhaka.
5	YKK BANGLADESH PTE LTD	Zipper	EPZ, Savar, Dhaka.
6	Comfit Rubber House	Foam	Nobabganj, Lalbagh, Dhaka.
7	Karmo Foam & Adhesive Ind Ltd	Foam	Demra, Dhaka.
9	Innova Threads	Thread	House 17/A, Road 03, Banani DOHS, Dhaka
10	Liton Sewing Ltd	Newspaper & Accessories	Hemayetpur, Savar, Dhaka.

vii) Sources of, and requirement for, power, gas and water; or any other utilities;

Power: Total requirement of power for smooth operation of business is 1250KVA which is met through BREB, Solar System, and Diesel Generators. Capacities of different power generation sources are as follows:

SL No	Description	Source	Capacity
1	Electricity	BREB (Govt. Power)	1250KVA
2.	Green Energy (Solar)	Own Source	500KW
3.	Generator	Own Source	1560KVA

Water: The requisite water supply is available from Underground Submersible Pump installed in the factory premises. The current requirement of water is 2000- 2500 Ltr/Day (Approx.).

viii) Names of the customers who purchase 10% or more of the company's products /services;

Sl.	Name	Percentage %
1	NOVI Footwear International Co., Limited	74%
2	FERRO Footwear China Ltd.	10%

ix) Description of any contract which the company has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract;

The company has not entered into any contract with any of its suppliers or customers except ordinary course of business.

x) Description of any material patents, trademarks, licenses or royalty agreements;

SL	Name of Certificate/license/Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Issue Date	Expiry Date
1	Incorporation	Registrar of Joint Stock Companies and Firms	C-126912/2015	12.11.2015	N/A
2	Certificate of Commencement of Business	Registrar of Joint Stock Companies and Firms	N/A	Incorporated as a private Ltd. company	N/A
3	Trade License	1 No. Maona Union Council	5548	29.06.2022	30.06.2023
		Dhaka South City Corporation	TRAD/DSCC/250842/2019	19.07.2022	30.06.2023
4	TIN Certificate	National Board of Revenue	871840237680	17.11.2015	N/A
5	VAT Registration Certificate	Customs, Excise & VAT Commissionerate, Dhaka (South), Dhanmondi Division.	BIN: 002178418-0201	23.10.2019	N/A
6	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	260326210253219	05.11.2019	30.06.2023
7	Import Registration Certificate		260326120105119	26.12.2019	30.06.2023
8	LFMEAB	Leather goods And Footwear Manufacturers & Exporters Association of Bangladesh	ID No- 212	17.11.2019	30.06.2023
9	Fire License	Bangladesh Fire Services and Civil Defense	AD/DHAKA/42367/19	19.05.2021	30.06.2023
10	Environment Clearance Certificate	Department of Environment, Gazipur	21-66240	07.11.2021	26.10.2023
11	Factory License	Factory and Organization Inspection Authority	19321/Gazipur	30.06.2022	30.06.2023
12	Bonded Warehouse	Customs Bond Commissionerate	1314/kas-PBW/2020	21.01.2020	20.01.2025
13	Fire Insurance	Green Delta Insurance Company Limited	G D I/ RSG/1 0/2022 / F IR/ P / 57 0002	06.10.2022	06.10.2023
14	Group Insurance	Green Delta Insurance Company Limited	G D I/ RSG/1 0/2022 / PPA/ P / 0037	24.10.2022	23.10.2023

The company has no patents, trademarks or royalty agreements with any party.

xi) Number of total employees and number of full-time employees;

The company has total 1326 full-time permanent employees/ workers as on June 30, 2022 details are as follow:

Particulars	Number
Number of permanent staff	20
Number of permanent Workers	1306
Total:	1326

xii) Production or service rendering capacity and current utilization, where applicable.**Existing Capacity Utilization:**

Product	Installed Capacity per day (per shift) Pcs	Installed Capacity per day (per shift) Pcs	Capacity Utilization (%)
	June 30, 2022		
Shoes (Pcs)	10,000	7,570	76%

CHAPTER (IV): Description of Property

a) Location of the principal plants and other property of the company and the condition thereof;

Sl. No.	Particulars	Location	Condition of the Property
1	Land	Registered office and Factory: Nayonpur Bazar, Chalkpara, Medical more, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh.	Position hold by the company
2	Building & Other Civil Constructions		Good in condition
3	Plant & Machinerics		Running well
4	Electrical Equipment's & Installations	Registered office and Factory: Nayonpur Bazar, Chalkpara, Medical more, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh. & Corporate Office and Factory : at Apt-1B, House No-17/A, Road No-3, DOHS Banani, Dhaka-1206, Bangladesh	Good in condition
5	Furniture & Fixture	Registered office and Factory: Nayonpur Bazar, Chalkpara, Medical more, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh. & Corporate Office: at Apt-1B, House No-17/A, Road No-3, DOHS Banani, Dhaka-1206, Bangladesh	Furniture & Fixture is in good condition
6	Motor Vehicles	Registered office and Factory: Nayonpur Bazar, Chalkpara, Medical more, Mawna-Dulivita Rd, Mawna Union 1740, Gazipur, Bangladesh. & Corporate Office: at Apt-1B, House No-17/A, Road No-3, DOHS Banani, Dhaka-1206, Bangladesh	Running well

b) Whether the property is owned by the company or taken on lease;

All the assets of the company are in its own holding other than the following assets value of vehicles belongs to the lease assets:

Right of Use Asset:		
Nature of Asset (s)	Condition	Amount in Taka
Motor Vehicles	Running well	7,680,000

c) If the property is owned by the company, whether there is a mortgage or other type of lien on the property, with name of the mortgagor;

Land, Stock Inventory along with factory buildings, plant & machinery are mortgaged to Rupali Bank Limited (Principal Branch) against Long Term Loan and Short Term Borrowings.

Name of Mortgagee	Type of Loan	Description of property charged	Owner of property
Rupali Bank Limited (Principal Branch)	Project Loan, A/c No - 18067000284	Factory land, Building, Machinery	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	Project Loan, A/c No - 18067000201	Factory land, Building, Machinery	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	IDCP (Interest During Construction Period)	N/A	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	Block Interest	N/A	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	Cash Credit Hypothecation	Stock	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	Clean/Temporary Overdraft	N/A	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	COVID 19 Revolving Refinance Scheme	N/A	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	Export Development Fund (EDF)	Master L/C	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	Purchase Against Documents (PAD)	Master L/C	Mk Footwear PLC
Rupali Bank Limited (Principal Branch)	COVID 19 Stimulus Funds Workers Salary	N/A	Mk Footwear PLC

d) If the property is taken on lease, the expiration date of the lease with name of the lessor.

All the assets of the company are in its own holding other than the following assets value of vehicles is belongs to the lease assets.

Lessor	Purpose of Lease	Effective date	Expiration date
IPDC Finance Limited	To procure vehicles for official use	May 2022	May 2027

CHAPTER (V): Plan of Operation and Discussion of Financial Condition

(a) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation shall be described in the prospectus which shall, among others, include.

MK Footwear PLC started its commercial operation on July 02, 2020. So this section is not applicable for this issue.

(b) If the issuer had been in operation, revenue from operation from each of the last three years, the issuer's financial position, changes in financial position and results of operations for each of the last three years shall be given in the prospectus which shall, among others, include the following information, to the extent material, namely.

The Company's revenues and results from operations, Statement of Financial position, Changes in Financial Position and Statement of Cash Flows for the last three years are mentioned below:

Revenue and Results from operation:

Particulars	30-Jun-22	30-Jun-21	30-Jun-20
Turnover	1,268,844,877	435,505,568	-
Cost of goods sold	(1,102,472,058)	(360,255,098)	-
Gross Profit/(Loss)	166,372,819	75,250,470	-
Foreign Exchange Gain/(Loss)	(7,922,403)	5,108,965	(37,444)
Administrative Expenses	(12,887,197)	(4,198,030)	(643,413)
Distribution Expenses	(12,047,008)	(3,316,696)	-
Operating Profit/ (Loss)	133,516,211	72,844,709	(680,857)
Non-Operating Income	71,276,977	6,371,000	-
Profit/(Loss) before interest & Tax	204,793,188	79,215,709	(680,857)
Financial Expenses	(87,928,289)	(64,166,082)	(1,024,452)
Profit/(Loss) before WPPF & Tax	116,864,899	15,049,627	(1,705,309)
Workers' Profit Participation Fund (WPPF)	(5,564,995)		
Profit/(Loss) before Tax	111,299,904	15,049,627	(1,705,309)
Income Tax Expenses:	(8,210,619)	(4,245,036)	340,133
Current Tax Income	(10,605,279)	(2,808,445)	(62,131)
Deferred Tax (Expenses)/Income	2,394,660	(1,436,591)	402,264
Net Profit/(Loss) after Tax	103,089,285	10,804,591	(1,365,176)
Basic Earnings Per Share (EPS)	3.19	10.80	(1.37)
Diluted Earnings Per Share (EPS)	-	0.35	(0.04)

Statement of Financial Position:

Particulars	30-Jun-22	30-Jun-21	30-Jun-20
NON-CURRENT ASSETS			
Property, Plant and Equipment	1,219,715,705	931,125,204	98,757,242
Intangible Assets	115,500	-	-
Capital Work In Progress	-	208,799,379	881,662,552
Right-of-use (ROU) assets	10,143,068	1,572,340	-
Non-Current Security Deposits	1,195,000	1,195,000	-
Total Non-Current Assets	1,231,169,273	1,142,691,923	980,419,794
CURRENT ASSETS			
Inventories	334,116,920	308,365,835	58,622,560
Accounts & Other Receivables	297,667,172	116,232,518	-
Advance, deposits and prepayments	-	1,312,904	1,195,000
Inter-Company Receivable	116,876,000	-	-
Advance Income Tax	10,814,490	2,870,576	62,131
Cash and cash equivalent	100,693,633	144,129,717	3,881,830
Total Current assets	860,168,215	572,911,550	63,761,521
TOTAL ASSETS	2,091,337,488	1,715,603,473	1,044,181,315
EQUITY & LIABILITIES			
Shareholders' Equity			
Share Capital	378,472,000	10,000,000	10,000,000
Share money deposit	-	301,972,000	301,972,000
Retained earnings	111,552,297	8,463,012	(2,341,579)
Total Shareholder's equity	490,024,297	320,435,012	309,630,421
NON-CURRENT LIABILITIES			
Long Term Loan-Non Current Maturity	693,755,685	755,134,910	543,444,871
Lease liability (non-current portion)	6,114,483	857,618	-
Deferred Tax Liabilities/(Assets)	(1,360,333)	1,034,327	(402,264)
Total non-current liabilities	698,509,835	757,026,855	543,042,607
CURRENT LIABILITIES			
Trade and Other Payables	171,369,454	204,212,397	28,820,237
Term Loan (Current Maturity)	128,283,044	38,057,331	19,030,307
Lease Liability (current portion)	2,161,888	784,068	-
Short Term Loan	564,313,068	383,485,816	142,860,685
Liabilities for Expenses	20,443,473	8,731,394	734,903
Provision for WPPF	5,564,995	-	-
Provision for Tax	10,667,434	2,870,600	62,155
Total Current Liabilities	902,803,356	638,141,606	191,508,287
Total Liabilities	1,601,313,191	1,395,168,461	734,550,894
TOTAL EQUITY & LIABILITIES	2,091,337,488	1,715,603,473	1,044,181,315
NAV per Share	12.95	10.27	9.92

Statement of Changes in Equity:

For the year ended June 30, 2020, 2021 and 2022

Particulars	Ordinary Share Capital	Share Money Deposit	Retained Earnings	Total
Balance as on June 30, 2020	10,000,000	301,972,000	(2,341,579)	309,630,421
Balance as on June 30, 2021	10,000,000	301,972,000	8,463,012	320,435,012
Balance as on June 30, 2022	378,472,000	-	111,552,297	490,024,297

Statement of Cash Flows:

Particulars	30-Jun-22	30-Jun-21	30-Jun-20
a. Cash flow from operating activities			
Cash Received from customers and others income	1,085,981,691	447,807,634	24,914,372
Cash Paid to Suppliers, employees & other expenses	(1,024,350,623)	(479,137,332)	(54,883,325)
Income Tax Paid	(10,752,359)	(2,808,445)	(62,131)
Net Cash (used in)/generated by operating activities	50,878,709	(34,138,143)	(30,031,084)
b. Cash flow from investing activities			
Property Plant and Equipment / Capital in Working Progress	(170,213,365)	(234,997,803)	(170,459,770)
ROU Assets	(2,083,589)	-	-
Inter-Company Receivable	(116,876,000)	-	-
Intangible Assets	(165,000)	-	-
Net Cash used (used in)/generated by investing activities	(289,337,954)	(234,997,803)	(170,459,770)
C. Cash flow from financing activities			
Long term Bank Loan Received/(Re-paid)	28,846,488	230,717,063	29,642,933
Short term Bank Loan Received/(Re-paid)	177,991,984	240,755,698	161,890,992
Share Capital/Share Money Deposit Received	66,500,000	-	12,728,000
Lease Payment	(1,296,235)	(900,000)	-
Financial Expenses	(86,226,426)	(63,143,876)	(1,024,452)
Net cash flow from financing activities	185,815,811	407,428,885	203,237,473
Net changes increase/(decrease) in cash and cash equivalents (a+b+c)	(52,643,434)	138,292,939	2,746,619
Unrealized Foreign Exchange Gain/(Loss)	9,207,350	1,954,948	-
Cash and cash equivalents at the beginning of the period	144,129,717	3,881,830	1,135,211
Cash and cash equivalents at the end of the period	100,693,633	144,129,717	3,881,830
Operating Cash Flow Per Share	1.34	(1.09)	(0.96)

(i) Internal and external sources of cash;

Particulars	30-Jun-22	30-Jun-21	30-Jun-20
Internal Source of Cash			
Share Capital	378,472,000	10,000,000	10,000,000
Share Money Deposit	-	301,972,000	301,972,000
Retained earnings	111,552,297	8,463,012	(2,341,579)
Sub Total	490,024,297	320,435,012	309,630,421
External Sources of cash			
Long Term Loan	693,755,685	755,134,910	543,444,871
Lease liability	6,114,483	857,618	-
Term Loan Current Maturity	128,283,044	38,057,331	19,030,307
Lease Liability (Current portion)	2,161,888	784,068	-
Short Term Bank loan	564,313,068	383,485,816	142,860,685
Sub Total	1,394,628,168	1,178,319,743	705,335,863
Grand Total	1,884,652,465	1,498,754,755	1,014,966,284

(ii) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

MK Footwear PLC has no other material commitments for capital expenditures except for those mentioned in the Utilization of QIO proceeds in this prospectus.

(iii) Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income;

The Company's revenue and other income as well as cost of goods sold, other operating expenses and net income have continued to change due to increasing business volume.

Particulars	30-Jun-22	30-Jun-21	30-Jun-20
Turnover/Income	1,268,844,877	435,505,568	-
Cost of goods sold	(1,102,472,058)	(360,255,098)	-
Operating Expenses	(32,856,608)	(2,405,761)	(680,857)
Net Profit after Tax	103,089,285	10,804,591	(1,365,176)

Causes for changes:

Period	Revenue	Cost of goods sold	Operating Expenses	Net Profit after Tax
30-Jun-22	Sales of the company has increased as a consistencies of full face business operation and growth.	Cost of goods sold of the company has changes due to increase in sales volume.	The company's administrative and distribution expenses were increased to support its increased business	Significant growth in net profit after tax has been observed due to increase in line with the increased sales volume.
30-Jun-21	This is the first year of commercial operation and revenue during the period is satisfactory.	Cost of goods sold of the company is in line with its sales volume.	The company's administrative and distribution expenses were maintained efficiently. Major amount of the Company's operating expenses incurred due to the salaries & allowance, registration & renewal, audit fee, depreciation and export related expenses.	This is the first year commercial operation and company secured more than BDT. 1 crore of net profit after deducting al expenses including financial expenses and tax.
30-Jun-20	N/A (No Commercial operation)	N/A (No Commercial operation)	Major amount of the Company's operating expenses incurred due to the salaries & allowance, registration & renewal, audit fee and depreciation.	Company's net income is negative due to the non-operation.

(iv) Any seasonal aspects of the company's business;

No seasonal aspects can adversely affect the business of MK Footwear PLC. As we are receiving order and producing and exporting our products round the year.

V) Any known trends, events or uncertainties that may have material effect on the issuer's future business;

At present there are no known trends, events and/or uncertainties that shall have a material impact on the Company's future business except for those which are natural and beyond control such as:

1. Increased price of raw materials
2. Economic recession
3. Entrance of new technology
4. Changes in government monetary & industrial policy
5. Increasing competition
6. Power supply disruption and political unrest
7. Pandemic situation

(vi) Any change in the assets of the company used to pay off any liabilities;

None of the operating assets of the Company has been disposed of to liquidate any liabilities of the company.

(vii) Any loan taken by the issuer from its holding/parent company or subsidiary company or loan given to aforesaid company, giving full details of the same;

Not applicable for this issue.

(viii) Any future contractual liabilities the company might enter into within next one year, and the impact, if any, it would have on the company's financial fundamentals;

The Company has no plan to enter into any contract creating future liabilities for the Company except for those which are created in the normal course of business activities.

(ix) The estimated amount, where applicable, of future capital expenditure;

The Company does not have any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' in this prospectus.

(x) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus;

Value Added Tax (VAT): The Company has VAT registration number 002178418-0201. The company is a 100% export oriented company. As per value added Tax Act, 1991, chapter 2, Section 3, clause 2. The applicable rate of VAT is zero. Hence, no VAT liability is due.

Income Tax: MK Footwear PLC having its TIN No. 871840237680 and regularly pays income taxes. Following is the summary of last five years of income taxes of the company:

Accounting Year	Assessment Year	Assessment Status
2021-2022	2022-2023	Return Submitted (under section 82BB of I.T.O 1984)
2020-2021	2021-2022	Return Submitted (under section 82BB of I.T.O 1984)
2019-2020	2020-2021	Return Submitted (under section 82BB of I.T.O 1984)
2018-2019	2019-2020	Assessment Completed.
2017-2018	2018-2019	Assessment Completed.

Custom Duty: MKFPLC pays all custom duty as per the Custom Act of the country there is no due in this regards.

Contingent Liability: There is no situation involving MKFPLC for which any liability for the company is most likely to occur or which may create any possibility of company's liability in the near future.

(xi) Details of any operating lease the company has entered into during the five years preceding the issuance of the prospectus, clearly indicating terms of the lease and how the company proposes to liquidate such lease;

Operating Lease:

Address	Area (sft)	Period (month)	Rent/year
BIDC Road, Joydevpur, Gazipur	64,000	12 (renewable)	6,700,000

(xii) Any financial commitment, including lease commitment, the company had entered into during the past five years, giving details as to how the liquidation was or is to be in effect;

All the assets of the company are in its own holding other than the following assets value of vehicles is belongs to the lease assets.

Lessor	Purpose of Lease	Period of Lease	Lease Amount (BDT)	Monthly Rental Amount (BDT)	Effective date	Expiration date
IPDC Finance Limited	To procure vehicles for official use	60 Months	7,680,000	158,494	May 2022	May 2027

Principal Terms and Condition of the Lease Agreements:

Particulars	Details
Name of Bank & Financial Institute	IPDC Finance Limited
Type of Facility	Lease Finance
Limit	BDT 10.00 Million
Repayment	Monthly
Interest Rate	8.75%
Period of Loan	60 (Sixty) Months
Expiry Date	May 2027
Renewal Status	N/A
Security	<ul style="list-style-type: none"> Personal Guarantee of all the directors of the company. Ownership of leased vehicle in favor of IPDC through BRTA registration. Comprehensive insurance of the leased vehicle in favor of IPDC Finance Limited. DP Note along with Letter of Continuation. Other usual charge documents.
Purpose	To Procure vehicles for Official use

(xiii) Details of all personnel related schemes for which the company has to make provision for in future years;

The company considers its human resources as the most valuable assets and the profitability of the company largely depends on the effective and efficient use of human resources. The company provides various benefit packages to its employees in addition to monthly benefit of salary, wages and allowances. List of benefits provided for the employees are as follows:

Festival Bonus	:	The Company pays two festival bonus @ 50% of gross salary
Yearly Increment/Promotions	:	Employees are awarded with a minimum increment of at least 10-20% of salary and promotion for extra ordinary performances.
Contribution to Workers' Profit Participation and Welfare Funds	:	The board of directors of MKFPLC approved workers profit participation fund i.e; 5% on profit after charging such contribution but before tax to this fund as per provision of Bangladesh Labour Law, 2006 as amendment up to 2013 and the company will transfer the fund to the trustee board and the trustee of the fund will take decision of disbursement and investment within the stipulated time.
Group Insurance	:	Employees of MKFPLC receive group insurance facility from Green Delta Insurance Co Ltd for any kind of injury and illness during the course of their service in the company.
Maternity Benefit	:	Female workers are entitled to maternity leave of 120 days with full remuneration twice during their service length with the company.

(xiv) Break down of all expenses connected with the QIO showing specifically:

Sl.	Particulars	Basis	Amount in BDT (Approx.)	
A.	MANAGER TO THE ISSUE FEES			575,000
1	Manager to the Issue fee	Fixed	500,000	
2	VAT against Issue Management Fees	15% of issue management fees	75,000	
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES			575,694
3	Draft prospectus scrutiny Fees for DSE & CSE	25,000 each	50,000	
4	DSE and CSE Annual Fee	Up to Tk. 10 crore of paid-up capital @ 0.025%; Above Tk. 10 crore of paid-up capital @ 0.01%	125,694	
5	Fees related to Listing with the stock exchanges	Up to Tk. 10 crore of paid-up capital @ 0.10%; Above Tk. 10 crore of paid-up capital @ 0.05%	400,000	
C.	BSEC FEES			150,000
6	Application fee	Fixed	50,000	
7	Consent fee	@ 0.10% (zero-point one percent) on the amount of QIO	100,000	
D.	QIO RELATED FEES			230,000
8	Underwriting commission	Commission @ 0.50% on Underwritten Amount	125,000	
9	VAT against Underwriting commission	15% of Underwriting commission	18,750	
10	Auditors Certification fees	At Actual	75,000	
11	15% VAT on Auditor Certification	15% on the auditor certification fee	11,250	
E.	CDBL FEES AND EXPENSES			691,625
12	Security Deposit	At Actual	500,000	
13	Documentation fee	At Actual	2,500	
14	Demat Fee	BDT 0.00003 of Pre-QIO Paid-up Capital	11,354	
15	Annual fee	At Actual	100,000	
16	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
17	Qualified Investor Offer fee	0.015% of issue Size+.015% pre QIO capital	71,771	
F.	Printing & Post-QIO Expenses:			433,034
18	Publication of Prospectus	Estimated 500+ copies (To be paid at actual)	150,000	
19	Electronic Subscription System (ESS)	(Estimated; to be paid at actual)	200,000	
20	Stationery and Other Expenses	(Estimated; to be paid at actual)	83,034	
Grand Total -				2,655,353

(i) Fee of issue manager;

Manager to the Issue fee	maximum 1% (one percent) on the QIO amount or taka 500 (Five hundred) thousand whichever is lower	500,000
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(ii) Fee of underwriter;

Underwriting commission	Commission @ 0.50% on Underwritten Amount	125,000
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(xv) If the issuer has revalued any of its assets, the name, qualification, work done to date by the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation, itemizing separately each asset revalued in a manner which shall facilitate comparison between the historical value and the amount shown after revaluation and giving a summary of the valuation report;

The Company has not revalued any of its assets since its incorporation.

(xvi) Where the issuer is a holding/subsidiary company, there shall be full disclosure in the prospectus about the transactions, including its nature and amount, between it and its subsidiary/holding company or associate companies, including transactions which have taken place within the last five years of the issuance of the prospectus or the date of incorporation of the issuer company, whichever is earlier, clearly indicating whether the issuer company is a debtor or a creditor;

Not applicable.

(xvii) Where the issuer is a banking company, insurance company, non-banking financial institution, a declaration by the board of directors shall be included in the prospectus stating that all requirements as specified in the ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সালের ১৪ নং আইন), আর্থিক প্রতিষ্ঠান আইন ১৯৯৩ (১৯৯৩ সালের ২৭ নং আইন), বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন) have been adhered to;

This section is not applicable for this issue.

(xviii) A special report from the auditors regarding any allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash;

Certificate regarding allotment of shares

After due verification, we certify that the MK Footwear PLC did not issue any shares to any person for any consideration otherwise than cash. Details are as follows:

Allotment Date	Basis of Shares			Face Value of Share (Tk.)	Paid-up Capital (Tk.)
	In cash	Other than in cash	Bonus		
12.11.2015 At the time of Incorporation)	1,000,000	-	-	10.00	10,000,000
30.04.2022 (1 st Allotment)	36,847,200	-	-	10.00	368,472,000
Total	37,847,200				378,472,000

*Face value of company's share was Tk. 100/- each and was converted into Tk. 10/- vide EGM dated March 28, 2022; Face value of shares on the above table was considered at Tk. 10/- for better presentation.

Place: Dhaka
Date: August 01, 2022

Sd/-
G. Kibria & CO.
Chartered Accountants

(xix) Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

There is no such material information is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

CHAPTER (VI): Directors and Officers

(a) Name, age, qualification, experience and position of each of the directors of the company and any person nominated to be a director, showing the period for which, the nomination has been made and the name of the organization which has nominated him;

Name	Father's Name	Age (Years)	Residential address	Educational Qualification	Experience (Years)	Position	Period of Nomination	Name of Nominated Organization
Mir Mahfuza Mohammed	Nurul Haque	53	House- 23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	BSS (Hons.)	20	Chairman	N/A	N/A
Noor Mohammed	Mahabubur Rahman	58	House- 23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	B.Sc.	30	Managing Director	N/A	N/A
Md. Akteruzzaman	Mahabubur Rahman	62	House- 23(3 rd floor), Road-04, R/A, Dhaka Cantonment, Dhaka-1206, Dhaka.	MA (Masters)	30	Director	N/A	N/A
F. M. Hasan Mahfuz Russell	Md. Abul Hashem Fakir	34	House-7-E, Road-127, Gulshan-1, Dhaka-1212.	BBA, CA Advance Level	06	Director and CEO	N/A	N/A

(b) In the case of a director, the date on which he first became a director and the date on which his current term of office shall expire;

SL	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Mir Mahfuza Mohammed	Chairman	April 30, 2022	Continuing
2	Noor Mohammed	Managing Director	November 12, 2015	January 29, 2025
3	Md. Akteruzzaman	Director	November 12, 2015	Next AGM
4	F. M. Hasan Mahfuz Russell	Director and CEO	April 30, 2022	Next AGM

(c) If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

SL	Name	Designation	Directorship/Sponsorship/ Ownership with other companies	Position
1	Mir Mahfuza Mohammed	Chairman	N/A	N/A
2	Noor Mohammed	Managing Director	Moynakuti Agro Industries Limited	Chairman
3	Md. Akteruzzaman	Director	Moynakuti Agro Industries Limited	Director
4	F. M. Hasan Mahfuz Russell	Director & CEO	N/A	N/A

(d) Any family relationship among directors and top five officers;

Family relationship among directors and top five officers:

SL	Name	Designation	Relationship
1	Mir Mahfuza Mohammed	Chairman	Wife of Noor Mohammed.
2	Noor Mohammed	Managing Director	Husband of Mir Mahfuza Mohammed.
3	Md. Akteruzzaman	Director	Elder brother of Noor Mohammed.
4	F. M. Hasan Mahfuz Russel	Director & CEO	No family relationship.

(e) Short bio-data of each director;

Mir Mahfuza Mohammed:

Chairman, MK Footwear PLC

Mir Mahfuza Mohammed was appointed as Chairman on 30.04.2022 of MK Footwear PLC. Mrs. Mir Mahfuza Mohammed obtained B.com, SZ. from Virginia State University Virginia, USA and has 5 years of Professional experience in footwear industry. She is dynamic and under her leadership the company is enjoying the benefits of her expertness.

Noor Mohammed:

Managing Director, MK Footwear PLC

Mr. Noor Mohammed was appointed as Managing Director since incorporation of MK Footwear PLC. He is also Chairman of Moynakuti Agro Industries Limited. Mr. Noor Mohammed obtained B.Sc. from Virginia State University Virginia, USA & has 8 years of Professional experience of footwear industry. He also made himself a character to follow inside his own organization by his pleasant and flexible manner.

Md. Akteruzzaman:

Director, MK Footwear PLC

Mr. Md. Akteruzzaman was appointed as sponsor Director of the company in 2015. He obtained B.A and M.A from Virginia State University Virginia, USA & has 8 years of Professional experience of footwear industry. Mr. Akteruzzaman is still energetic and dynamic. He managed to bring a broader vision in sales, marketing and customer care. He is an expert in the footwear industry.

F. M. Hasan Mahfuz Russel:*Director & CEO, MK Footwear PLC*

FM Hasan Mahfuz Russell was appointed as Chief Executive Officer (CEO) since July 2019 of MK Footwear PLC. Mr. Russell completed Bachelor of Business Administration (BBA), Major in Marketing, Finance and Accounting from NSU, also completed CA professional level from ICAB & has 06 years of Professional experience of footwear industry.

(f) Neither the company nor any of its directors of the issuer is loan defaulter in terms of the CIB report of the Bangladesh Bank;

Neither the Company nor any of its Directors is loan defaulter in terms of the CIB report of the Bangladesh Bank.

(g) Name with position, educational qualification, date of joining in the company, last five years' experience of the Chief Executive Officer, Chief Financial Officer, Company Secretary, Advisers, Consultants, Additional and Deputy Managing Directors and All Departmental Heads.

Sl. No.	Name of Employees	Current Position	Educational Qualification	Date of Joining in the company	Overall Experience
1	Noor Mohammed	Managing Director	B.SC	12.11.2015	30
2	Mohammad Mahabub Alam	Chief Financial Officer	B.Com.(Hons), M.Com., CA (Inter)	01.09.2022	20
3	Mohammed Tohidul Islam	Company Secretary	M.Com., CA (Inter), LLB, ITP	01.10.2021	20
4	Sifat Ahmed Chaudhuri	DMD	BBA, MBA	01.10.2021	15
5	F.M Hasan Mahfuz Russell	CEO	BBA, CA (Professional Level)	01.01.2020	6
6	Md. Masud Rana	Manager Finance	MA	08.03.2018	5
7	Md. Dudal Miah	Sr.Manager Commercial	MA	01.12.2019	20
8	Kazi Sanaul Arifin	Manager Compliance	BA	16.11.2019	6
9	Md. Mahamudul Hasan	Warehouse Manager	MA	01.09.2021	12
10	Md Mijanur Rahman	Senior Admin Manager	BA	27.08.2020	15

CHAPTER (VII): Involvement of Directors and Officers in Certain Legal Proceedings

(a) Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy;

No bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy

(b) Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him;

No conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him

(c) Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities;

There is no order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

(d) Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities.

There is no order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer director in any type of business, securities or banking activities.

CHAPTER (VIII): Certain Relationships and Related Transactions

The prospectus shall contain a description of any transaction during the last two years, or any proposed transactions, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely;

(a) Any director or executive officer of the issuer;

SL. No.	Name of person/party	Designation	Type of Transaction	Amount in Taka	
				30-Jun-22	30-Jun-21
1.	Noor Mohammed	Managing Director	Remuneration	3,500,000	-
2.	F.M Hasan Mahfuz Russell	Director and CEO	Salary	1,100,000	-
3.	Mohammed Tohidul Islam	Company Secretary	Salary	935,000	-
4.	Sifat Ahmed Chaudhuri	DMD	Salary	900,000	-
5.	Md. Mahamudul Hasan	Warehouse Manager	Salary	797,533	-
6.	Md Mijanur Rahman	Senior Admin Manager	Salary	624,200	624,200
7.	Md. Dudal Miah	Sr. Manager Commercial	Salary	595,000	595,000
8.	Abu Hannan Biswas	Sr. Manager Commercial	Salary	595,000	595,000
9.	Kazi Sanaul Arifin	Manager Compliance	Salary	467,500	467,500
10.	Md. Masud Rana	Manager Finance	Salary	255,000	255,000

(b) Any director or officer;

SL. No.	Name of person/party	Designation	Type of Transaction	Amount in Taka	
				30-Jun-22	30-Jun-21
1.	Noor Mohammed	Managing Director	Remuneration	3,500,000	-
2.	F.M Hasan Mahfuz Russell	Director and CEO	Salary	1,100,000	-
3.	Mohammed Tohidul Islam	Company Secretary	Salary	935,000	-
4.	Sifat Ahmed Chaudhuri	DMD	Salary	900,000	-
5.	Md. Mahamudul Hasan	Warehouse Manager	Salary	797,533	-
6.	Md Mijanur Rahman	Senior Admin Manager	Salary	624,200	624,200
7.	Md. Dudal Miah	Sr. Manager Commercial	Salary	595,000	595,000
8.	Abu Hannan Biswas	Sr. Manager Commercial	Salary	595,000	595,000
9.	Kazi Sanaul Arifin	Manager Compliance	Salary	467,500	467,500
10.	Md. Masud Rana	Manager Finance	Salary	255,000	255,000

(c) Any person owning 5% or more of the outstanding shares of the issuer;

SL. No.	Name of person/party	Designation	Type of Transaction	Amount in Taka	
				30-Jun-22	30-Jun-21
1.	Mir Mahfuza Mohammed	Chairman	N/A	-	-
2.	Noor Mohammed	Managing Director	Directors' Remuneration	3,500,000	-
3.	Md. Akteruzzaman	Director	N/A	-	-

(d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;

There is no transaction with immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the directors, executive officers, officers and any person owning 5% or more of the outstanding shares of the issuer except receiving of cash against allotment of shares of the issuer.

(e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;

Name	Relationship	Nature of Transaction	30-Jun-22	30-Jun-21	30-Jun-20
Mir Mahfuza Mohammed	Chairman	N/A	N/A	N/A	N/A
Noor Mohammed	Managing Director	Remuneration	3,500,000	-	-
Md. Akteruzzaman	Director	Share Money	-	-	5,800,000
F. M Hasan Mahfuz Russell	Director/CEO	Salary	1,100,000	-	-
Moynakuti Agro Industries Limited	Common Directorship	Loan Given	116,876,000	-	-

(f) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan;

There were no loans either taken or given from or to any director or any person connected with the director except as mentioned in **CHAPTER (VIII) (e)**.

(g) Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;

Name of Director	Name of Organizations	Type of Business	Position
Noor Mohammed	Moynakuti Agro Industries Limited	Agro	Director
Md. Akteruzzaman			Director

(h) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary.

Interest and facilities enjoyed by a director are as follows:

Sl. No	Name of Directors	Type of Interest/benefits
1	Mir Mahfuza Mohammed	N/A
2	Noor Mohammed	Remuneration
3	Md. Akteruzzaman	N/A
4	F. M Hasan Mahfuz Russell	Salary

CHAPTER (IX): Executive Compensation

(a) The total amount of remuneration paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer;

Sl. No	Name of Employees	Position	Salary paid for the year ended June 2022
1	Noor Mohammed	Managing Director	3,500,000
2	F.M Hasan Mahfuz Russell	CEO	1,100,000
3	Mohammed Tohidul Islam	Company Secretary	935,000
4	Sifat Ahmed Chaudhuri	DMD	900,000
5	Md. Mahamudul Hasan	Warehouse Manager	797,533
Total -			7,232,533

(b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year;

Particulars	Nature of Payment	July'2021-June'2022
Directors	Board Meeting Fees	N/A
	Remuneration	3,500,000
Officers and Executives	Salary and Allowances	6,269,233
Total -		9,769,233

(c) The amount of remuneration paid to any director who was not an officer during the last accounting year;

No amount of remuneration paid to any director who was not an officer during the last accounting year

(d) Any contract with any director or officer providing for the payment of future compensation;

The Company has not entered in to any contract with any of its Directors or Officers for any future compensation packages.

(e) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto.

The Company has no plan for introducing any remuneration to its directors or increasing salaries for officers except for those that are paid as annual increment to their salaries.

CHAPTER (X): Options granted to Directors, Officers and Employees

(a) The following information shall be given in the prospectus in respect of any option held by each director, the salaried officers, and all other officers as a group, namely;

- i) The date on which the option was granted;**
- ii) The exercise price of the option;**
- iii) The number of shares or stock covered by the option;**
- iv) The market price of the shares or stock on the date the option was granted;**
- v) The expiration date of the option.**

MK Footwear PLC did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

(b) If such options are held by any person other than the directors, and the officers of the issuer company, the following information shall be given in the prospectus, namely.

- I) The total number of shares or stock covered by all such outstanding options;**
- II) The range of exercise prices;**
- III) The range of expiration dates.**

This section is not applicable for this issue.

CHAPTER (XI): Transaction with the Directors and Subscribers to the Memorandum:

(a) The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received by the issuer during the last five years or to be received by each of the above persons, directly or indirectly, from the issuer and the nature and amount of any assets, services or other consideration received or to be received by the issuer shall be stated in the prospectus;

The Directors and Subscribers to the Memorandum have not received any benefit except remuneration/salary received by the directors, directly or indirectly during the last five years, details of which is given below. The issuer has not received or to be received any assets, services or other consideration from its Directors and Subscribers to the Memorandum except allotment of share against cash and other than cash as stated in the prospectus.

SL. No.	Name of person/party	Designation	Type of Transaction	Amount in Taka				
				30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
1.	Mir Mahfuza Mohammed	Chairman	Share Capital	-	-	-	4,400,000	24,300,000
2.	Noor Mohammed	Sponsor/Managing Director	Share Capital	-	-	5,928,000	36,821,270	44,407,886
			Directors' Remuneration	3,500,000	-	-	-	-
3.	Md. Akteruzzaman	Sponsor/Director	Share Capital	-	-	5,800,000	14,200,000	-
4.	F. M. Hasan Mahfuz Russell	Director & CEO	Share Capital	-	-	-	15,000,000	-
			Salary	1,100,000	-	-	-	-

(b) If any assets were acquired or are to be acquired from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within two years prior to their transfer to the issuer, the cost thereof paid to the subscribers to the memorandum shall also have to be shown therein.

No assets were acquired or to be acquired from any of its Directors and Subscribers to the Memorandum.

CHAPTER (XII): Tangible assets per share:

The prospectus shall show the net tangible asset backing per unit of the securities being offered at the date of the latest statement of financial position contained or referred to in the prospectus.

A. Tangible Assets

Particulars	Amount in Tk.
Property, Plant and Equipment	1,219,715,705
Right-of-use (ROU) assets	10,143,068
Non-Current Security Deposits	1,195,000
Inventories	334,116,920
Accounts & Other Receivables	297,667,172
Advance, deposits and prepayments	-
Inter-Company Receivable	116,876,000
Advance Income Tax	10,814,490
Cash and cash equivalent	100,693,633
Total –	2,091,221,988

B. Liabilities

Particulars	Amount in Tk.
Non-Current Liabilities	698,509,835
Current Liabilities	902,803,356
Total –	1,601,313,191

C. Net Tangible Assets (A-B)	489,908,797
D. Number of Shares	37,847,200
Net Tangible Assets Per Shares (C/D)	12.94

CHAPTER (XIII): Ownership of the Company's Securities

(a) The prospectus shall disclose, in tabular form, the name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the number of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership;

Name	Position	Address	BO ID No.	No. of Shares	Pre QIO %
Mir Mahfuza Mohammed	Chairman	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075683042	3,000,000	7.93%
Noor Mohammed	Managing Director	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075682741	17,867,200	47.21%
Md. Akteruzzaman	Director	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075686931	2,100,000	5.55%
Total -				22,967,200	60.69%

(b) There shall also be a table in the prospectus showing the number of shares of the issuer's securities owned by each director, each of the top ten salaried officers, and all other officers as a group, indicating the percentage of outstanding shares represented by the shares owned.

Name	Position	Number of Shares	Percentage %
Mir Mahfuza Mohammed	Chairman	3,000,000	7.93%
Noor Mohammed	Managing Director	17,867,200	47.21%
Md. Akteruzzaman	Director	2,100,000	5.55%
F. M Hasan Mahfuz Russell	Director/CEO	1,500,000	3.96%
Sifat Ahmed Chaudhuri	Deputy Managing Director	500,000	1.32%
Mohammed Tohidul Islam	Company Secretary	50,000	0.13%
Md. Masud Rana	Manager Finance	50,000	0.13%
Total -		25,067,200	66.23%

c) Provision for lock-in as per these Rules:

All issued ordinary shares of the issuer at the time of according to consent to QIO shall be subject to a lock in period from the date of issuance of prospectus or commercial operation, whichever comes later, in the following matter:

- ordinary shares held by sponsors, director shareholders who hold 10% (ten percent) or more for (two) years;
- ordinary shares held by alternative investment funds of by foreign investors or by other for 1 (one) year;

d) Statement of Securities to be locked in for each shareholder along with BO account number, lock in period and number of securities to be locked-in:

Name	Position	Address	BO ID No.	No. of Shares	Lock in Period
Mir Mahfuza Mohammed	Chairman	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075683042	3,000,000	2 Years
Noor Mohammed	Managing Director	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075682741	17,867,200	2 Years
Md. Akteruzzaman	Director	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075686931	2,100,000	2 Years
F. M Hasan Mahfuz Russell	Director & CEO	23/8, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075685811	1,500,000	2 Years
Kazi Rejaul Kabir	Shareholder	34/1 Nazira Bazar, Sutrapur, Dhaka	1605550075684759	500,000	1 Year
Farah Zaman	Shareholder	House: 23, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075687313	1,800,000	1 Year
Deal N Deliver	Shareholder	Eastern Anik, Flat# 502, House#, Road# 04, Block# A, Niketon, Dhaka-1212	1201930075224528	1,650,000	1 Year
Sifat Ahmed Chaudhuri	Shareholder	29/A, 11, (4th Floor), Pallabi, North Pallabi, Mirpur, Dhaka-1216.	1605550075685927	500,000	1 Year
Hayat Trade International	Shareholder	5, Inner Circular V.I.P Road, New Paltan, Dhaka-1000.	1203490074857705	1,750,000	1 Year
M/s. Alam Enterprise	Shareholder	Sultan Villa, 40 South Khilgaon, Dhaka-1219	1605550068634468	1,650,000	1 Year
NS Info Equity Limited	Shareholder	338, Mogbazar(12th Floor), Tongi Diversion Road, Dhaka-1217	1203680069279309	1,600,000	1 Year
Nupur Zaman	Shareholder	House: 23, Road-04, Dhaka Cantonment, Dhaka-1206, Dhaka.	1605550075687182	1,800,000	1 Year
Mir Shoureen Shams	Shareholder	House: 88, Block-F, Road-5, Banani, Dhaka-1213.	1605550075692425	1,800,000	1 Year
Mohammed Tohidul Islam	Shareholder	Vill: North Joypur, P.O: North Joypur-3706, Dist.: Laxmipur, Bangladesh	1605550075684486	50,000	1 Year
Md. Masud Rana	Shareholder	Vill: Parbatipur, P.O: Gurjipara-5470, P.S: Pirgang, Dist.: Rangpur, Bangladesh	1605550075684651	50,000	1 Year
Sarwar Hussain	Shareholder	House-263, Shuvecca, Sheikhat road, Sylhet-3100.	1605550075690576	230,000	1 Year
Total -				37,847,200	

CHAPTER (XIV): Determination of Offering Price

(a) If ordinary shares are being offered, the factors to be considered in determining the offering price shall be set forth in the prospectus;

The valuation report of securities offered of MK Footwear PLC prepared by Issue manager based on financial and all other pertinent to the issue.

Qualitative and Quantitative factors for valuation:

Qualitative Justification:

1. Managed by the qualified investors.
2. Equipped with state of art technology.
3. Properly structured and professionally run company.

Quantitative Justification:

Information presented in this prospectus is derived from audited financial statements for the year ended on the year ended on 30 June, 2022, 2021, 2020, 2019 & 2018.

(b) If the issue price of the ordinary share is higher than the par value thereof, justification of the premium shall be stated with reference to all of the followings:

The issue price of ordinary share is not higher than par value, so this section is not applicable for this issue.

The fair value is determined under different valuation methods referred in Bangladesh Securities and Exchange Commission (Qualified investor offer by Small Capital Company) Rules, 2022. The following table illustrates the calculation of fair value of MK Footwear PLC under different methods:

Method	Particulars	Fair Value (BDT)
Method -1	Equity Based value (NAV) without revaluation Reserve	12.95
Method-2 (a)	Price based on historical Earnings based per share (Considering Market P/E)	35.13
Method-2 (b)	Price based on historical Earnings based per share (Considering Sector P/E)	140.38
Method-3	Valuation with reference to P/E multiple of similar stock	130.57
	Average Price	79.76

Method 1: Net Asset value at historical or current cost;

Method -1	Equity Based value (NAV) per share	
Particulars		Amount
A	Paid up Share Capital	378,472,000
B	Retained Earnings	111,552,297
C	Total Shareholders' Equity as at 30 June 2022 (A+B)	490,024,297
D	Number of shares as of 30 June 2022	37,847,200

E	Net Asset Value Per Share as of 30 June 2022 (C/D)	12.95
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Method 2: Earning-based-value calculated on the basis of weighted average of net profit after tax for immediate preceding five years or such shorter period during which the issuer was in commercial operation;

Method-2 (a)	Price based on historical Earnings based per share (Considering Market P/E)			
Year	No. of Shares	Net Profit After Tax	Weighted no. of Shares	Weighted Average of Net Profit After tax (Taka)
30-Jun-18	1,000,000	(303,309)	0.0238965	(7,248)
30-Jun-19	1,000,000	(282,232)	0.0238965	(6,744)
30-Jun-20	1,000,000	(1,365,176)	0.0238965	(32,623)
30-Jun-21	1,000,000	10,804,591	0.0238965	258,191
30-Jun-22	37,847,200	103,089,285	0.9044142	93,235,409
Total	41,847,200		1.0000	93,446,985
Number of Share Outstanding (Before Capital Raise)				37,847,200
EPS based on weighted Average no. of shares outstanding				2.47
Latest Market P/E Ratio (As per DSE Review June, July & Aug 2022)				14.23
Earning Based value Per share				35.13

Method-2 (b)	Price based on historical Earnings based per share (Considering Sector P/E)			
Year	No. of Shares	Net Profit After Tax	Weighted no. of Shares	Weighted Average of Net Profit After tax (Taka)
30-Jun-18	1,000,000	(303,309)	0.0238965	(7,248)
30-Jun-19	1,000,000	(282,232)	0.0238965	(6,744)
30-Jun-20	1,000,000	(1,365,176)	0.0238965	(32,623)
30-Jun-21	1,000,000	10,804,591	0.0238965	258,191
30-Jun-22	37,847,200	103,089,285	0.9044142	93,235,409
Total	41,847,200		1.0000	93,446,985
Number of Share Outstanding (Before Capital Raise)				37,847,200
EPS based on weighted Average no. of shares outstanding				2.47
Latest Sector P/E Ratio (As per DSE Review June, July & Aug 2022)				56.86
Earning Based value Per share				140.38

Calculation of Average Price Earnings of Market & Sector P/E of Tannery Sector:

Sector P/E Ratio		Market P/E Ratio	
Months	P/E Ratio	Months	P/E Ratio
June'22	61.53	June'22	14.44
July'22	53.85	July'22	13.83
Aug'22	55.19	Aug'22	14.42
Average	56.86	Average	14.23

Method 3: valuation multiple of similar stock or industry average(e.g., P/E multiple, etc.) in case of IQIO or if issuance is the RQIO, weighted average market price per share of common stock of the issuer for one year prior to such RQIO;

Last One Year (Month ended) Closing Share price of Similar Stock

Sl. No.	Month	Closing Price		
		Apex Footwear Ltd.	Legacy Footwear Ltd.	Fortune Shoes Ltd.
1	31/10/2021	259.60	58.00	110.4
2	30/11/2021	232.80	57.80	92.8
3	30/12/2021	267.80	65.70	92.1
4	30/01/2022	320.70	62.90	115
5	28/02/2022	309.00	62.40	121.6
6	31/03/2022	304.90	59.10	142.8
7	28/04/2022	294.20	56.80	121
8	30/05/2022	276.80	54.90	105.9
9	30/06/2022	271.50	63.60	93.3
10	31-07-22	263.20	59.60	79.50
11	31-08-22	289.60	62.60	79.50
12	29-09-22	304.10	58.80	79.50
Average Price Per Share		282.85	60.18	102.78
Cumulative Average Market Price Per Share of Similar Stock		148.61		

Sources: DSE Monthly Review

Method 4: Valuation with reference to P/E multiple of similar stock

The average month end close price of similar stock from October'2021 to September'22 and earnings per share as per last available published annual financial statements, available on June'21 have been considered.

Sl. No.	Similar Stocks	Last 1 year average closing price (p)	Earnings Per Share (EPS)	P/E
1	Apex Footwear Ltd.	282.85	-5.01	-56.46
2	Legacy Footwear Ltd.	60.18	0.40	150.46
3	Fortune Shoes Ltd.	102.78	1.59	64.64
Average P/E (a)				52.88
5 years weighted average earnings per share of MK Footwear PLC. (b)				2.47
Fair value based on P/E multiple of similar stocks (BDT) (a*b)				130.57

Rationale for choosing these 3 Companies:

There are six listed company in the capital market of Tannery industry. Among the six, MKFPLC has taken three companies because MKFPLC's product mix and nature of business matches to these three companies. The management of the Company in consultation with the Issue Manager has set the issue price at Tk. 10.00 each at par value.

CHAPTER (XV): Description of Securities Outstanding or Being Offered

The prospectus shall:

(a) Describe any dividend, voting and preemption rights of any common stock outstanding or being offered;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Describe the dividend, voting, conversion and liquidation rights, as well as redemption or sinking fund provisions, of any preferred stock outstanding or being offered;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) If there are any limitations on the payment of dividends to common or preferred stockholders because of provisions in debt instruments or otherwise, explain such limitations;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. Also, no dividend shall be paid otherwise than out of profit of the year or year other undistributed profits.
- iii. The Directors may retain any dividend on which the Company has a lien, to the extent of the debts, liabilities or engagements in respect of which the lien exist, and may apply the same in or towards the satisfaction of such debts liabilities or engagements.

(d) Describe any other material rights of the common or preferred stockholders.

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

The Directors shall present the financial statements as required under the law & International Accounting Standard. Financial statements will be prepared in accordance with the International Accounting Standards consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Accounting Standard to the shareholders regarding the financial and operational position of the company. The shareholders shall have the right to receive all periodical statement and reports, audited as well as unaudited, published by the company from time to time.

The shareholder holding minimum of 10% shares of paid-up capital of the company shall have the right to requisition extra ordinary General Meeting of the company as provided for the section 84 of the Companies Act 1994.

CHAPTER (XVI): Financial Statement Requirements

(a) The financial statements prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 2020;

MK FOOTWEAR PLC

**Auditor's Report & Financial Statements as at
and for the year ended 30 June 2022**

**Independent Auditor's Report
To the shareholders of
MK FOOT WEAR PLC**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MK FOOTWEAR PLC** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, and Statement of profit or loss & other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide opinion on these matters.

Risk	Our response to the risk
Revenue-Export, Cash Incentive & Accounts & Other Receivables	
For the year-end, the Company reported total Export revenue of Tk. 1,268,844,877 in Note 23, cash Incentive revenue in Note 28 Tk. 71,266,360 & Accounts & Other Receivables Tk. 297,667,172 of the financial statements.	We have tested the design and operating effectiveness of key controls focusing on the following:
The company generates revenue from export sale &	<ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is

<p>received cash incentive from Bangladesh Government. The timing of the revenue recognized and realized increases the risk of exposure of revenue to foreign exchange fluctuations.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the timing of the opening of letter of credit and timing of goods exported.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>recognized in the appropriate accounting period.</p> <ul style="list-style-type: none"> ➤ Assessed whether the revenue recognition policy is appropriate and is in line with IFRS 15 - Revenue from contracts with customers. ➤ Performed walkthrough tests to understand the adequacy and the design of the revenue cycle. ➤ Obtaining Sales Ledger. ➤ Collect Sample of Sales Contract, Sales invoice, Bill of export, Bill of leading Its match with Vat Return & Sales Ledger. ➤ For Cash Incentive Obtaining Ledger, Cash Incentive Certificate from Chartered Accountants Firm, Collect certificate from bank for cash incentive realization. ➤ Collect Certificate from Bank regarding Export, Export Realization, PRC for Subsequent receivable realization ➤ For Accounts and other receivable collect ledger, collect Bill of export for Outstanding Invoice, Collect PRC for receivable subsequent Realization. ➤ Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards
Valuation of inventory & Purchase	
<p>The inventory of Tk 334,116,920 at 30 June, 2022 held in Factory warehouses and across multiple product lines in factory & Purchase were Made Tk. 808,401,492 for the period from 01 July 2021 to 30 June 2022.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory provision by:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory and warehouse; ➤ The Company made most of the purchase through import. For the confirmation of purchase we collect the ledger, collect sample of bill of entry, Invoice, Lc, Goods receipts note, Match

<p>Purchase are rightly recorded in the Financial statements</p>	<p>with vat return & Ledger and subsequent LC payment from bank Statements.</p> <ul style="list-style-type: none"> ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data. ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; and challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete. ➤ Evaluated, on a sample basis, whether inventories were stated at the lower of cost and net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the reporting date; ➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; ➤ Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards.
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Measurement of deferred tax Assets	
<p>The net deferred tax Assets totaling Tk. 1360,333 as at 30 June, 2022 in annex VI.</p> <p>Significant judgment is required in relation to deferred tax liabilities as it is dependent on forecasts of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> ➤ We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of deferred tax liabilities and the assumptions used in estimating the company's future taxable income. ➤ We also assessed the completeness and accuracy of the data used for the estimations

	<p>of future taxable income.</p> <ul style="list-style-type: none"> ➤ We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. ➤ We also assessed the appropriateness of presentation of disclosures against IAS-12 income tax.
Valuation of Property, Plant and Equipment	
<p>The Written Down Value (WDV) of the PPE amounted to Tk. 1,219,715,705 at 30 June, 2022. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expanded if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets. Apparently, the carrying value of PPE represents a significant portion of the Company's assets and therefore is a function of charging depreciation that involved estimation. Therefore, it has been considered a significant area of auditor's judgment and special attention. There is also a risk that the impairment charges) not have been recognized.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ Reviewed basis of recognition, Measurement and valuation of assets; ➤ Observed procedures of assets acquisition, depreciation and disposal; ➤ Checked ownership of the major assets; ➤ Check the Capital-Work-in-Progress (CWIP) and its transfer to PPE ➤ Performed physical asset verification at the year end. ➤ Critically reviewed the Company's assumptions in relation to recoverable amounts of the major PPE to identify if there is any requirement of recognition of impairment. ➤ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. ➤ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.
Share Capital	
<p>During the year Company increase its share capital by Tk. 368,472,000. This increase results from the transfer of Share Money Deposit of Tk. 301,972,000 & fresh issue of Tk. 66,500,000 for new share capital.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ For New share money deposit we collect, Claques and cross check it with Bank statements. ➤ RJSC Form XV for New Share Allotment.

There is a risk that amount are received into company account or not.	<ul style="list-style-type: none"> ➤ Finally, assessed the appropriateness of the presentation and disclosures required by accounting standards.
Short term, Long term Bank Loan & Financial Expenses	
During the year increased the Company short term loan. There is a risk that Loan is acutely taken by the company & Appropriately present in the financial Statements. Those are Disclosed in the Note 19, 22 & 29 in the financial Statements.	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> ➤ Obtaining Ledger, Bank Statements, Bank Section Letter. ➤ Recalculate the financial expenses ➤ Obtained third-party confirmation on from bank, Liability Position, Interest Expenses. ➤ Obtaining Bank balance confirmation certificate & Financial expenses ➤ Finally, assessed the appropriateness and presentation of disclosures related to relevant accounting standards

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and , in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the company

In preparing the financial statements , management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions , misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received by us;

- c) The information and explanations required by us have been received and found satisfactory;
- d) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns;
- e) The expenditure was incurred for the purpose of the Company's business.

Location, Dhaka
Dated: 12 October 2022
Ref:GKC/22-23/A/110

Sd/-
Sultan Moheuddin FCA
Enrollment No- 1530
Partner, G. Kibria & Co.
Chartered Accountants
DVC: 2210131530AS150828

MK FOOTWEAR PLC
Statement of Financial Position
As on 30 June, 2022

Particulars	Notes	30-Jun-2022 BDT	30-Jun-2021 BDT
Assets			
Non-Current Assets:			
Property, Plant and Equipment	5	1,219,715,705	931,125,204
Intangible Assets	6	115,500	-
Capital Work In Progress	7	-	208,799,379
Right-of-use (ROU) assets	8	10,143,068	1,572,340
Non-Current Security Deposits		1,195,000	1,195,000
Total Non-Current Assets		1,231,169,273	1,142,691,923
Current Assets:			
Inventories	10	334,116,920	308,365,835
Accounts & Other Receivables	11	297,667,172	116,232,518
Advance Deposit & Prepayment	12	-	1,312,904
Inter-Company Receivable	13	116,876,000	-
Advance Income Tax	14	10,814,490	2,870,576
Cash & Cash Equivalent	15	100,693,633	144,129,717
Total Current Assets		860,168,215	572,911,550
Total Assets		2,091,337,488	1,715,603,473
Equity and Liabilities			
Shareholders' Equity:			
Share Capital	16	378,472,000	10,000,000
Share Money Deposit	17	-	301,972,000
Retained Earnings	18	111,552,297	8,463,012
		490,024,297	320,435,012
Non-Current Liabilities:			
Long Term Loan-Non Current Maturity	19	693,755,685	755,134,910
Lease liability (non-current portion)	20	6,114,483	857,618
Deferred Tax Liabilities/(Assets)	Annex-V	(1,360,333)	1,034,327
Total Non-Current Liabilities		698,509,835	757,026,855
Current Liabilities:			
Trade and Other Payables	21	171,369,454	204,212,397
Term Loan-Current Maturity	19	128,283,044	38,057,331
Lease liability (current portion)	20	2,161,888	784,068
Short Term Loan	22	564,313,068	383,485,816
Liabilities for Expenses	23	20,443,473	8,731,394
Provision for WPPF		5,564,995	-
Provision for Tax	24	10,667,434	2,870,600
Total Current Liabilities		902,803,356	638,141,606
Total Equity and Liabilities		2,091,337,488	1,715,603,473
Net Asset Value Per Share	34	12.95	10.27

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary
See annexed report of the date
Sd/-

Location: Dhaka
Dated: 12 October 2022
Ref: GKC/22-23/A/110

Sultan Moheuddin, FCA
Enrollment No- 1530
Partner, G. Kibria & Co.
Chartered Accountants
DVC: 2210131530AS150828

MK FOOTWEAR PLC
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

Particulars	Notes	2021-2022 BDT	2020-2021 BDT
Revenue	25	1,268,844,877	435,505,568
Cost of Goods sold	26	(1,102,472,058)	(360,255,098)
Gross Profit/(Loss)		166,372,819	75,250,470
Foreign Exchange Gain/(Loss)	27	(7,922,403)	5,108,965
Administrative Expenses	28	(12,887,197)	(4,198,030)
Distribution Expenses	29	(12,047,008)	(3,316,696)
Operating Profit/ (Loss)		133,516,211	72,844,709
Non-Operating Income	30	71,276,977	6,371,000
Profit/(Loss) before interest & Tax		204,793,188	79,215,709
Financial Expenses	31	(87,928,289)	(64,166,082)
Profit/(Loss) before WPPF & Tax		116,864,899	15,049,627
Workers' Profit Participation Fund (WPPF)		(5,564,995)	-
Profit/(Loss) before Tax		111,299,904	15,049,627
Income Tax Expenses:		(8,210,619)	(4,245,036)
Current Tax Expense	24	(10,605,279)	(2,808,445)
Deferred Tax (Expenses)/Income	Annex-V	2,394,660	(1,436,591)
Net Profit/(Loss) after Tax		103,089,285	10,804,591
Other Comprehensive Income		-	-
Total Other Comprehensive Income		103,089,285	10,804,591
Basic Earnings Per Share (EPS)	32	3.19	10.80
Diluted Earnings Per Share (DEPS)	32	-	0.35

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Sd/-
Chairman

Sd/-
Managing Director

See annexed report of the date

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Sultan Moheuddin, FCA

Enrollment No- 1530

Partner, G. Kibria & Co.

Chartered Accountants

DVC: 2210131530AS150828

Location: Dhaka
Dated: 12 October 2022
Ref: GKC/22-23/A/110

MK FOOTWEAR PLC
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Amount in BDT
Balance as at 01 July, 2021	10,000,000	301,972,000	8,463,012	320,435,012
Addition During the Period	368,472,000	-	103,089,285	471,561,285
Adjusted During the Period	-	(301,972,000)	-	(301,972,000)
Balance as at 30 June, 2022	378,472,000	-	111,552,297	490,024,297

MK FOOTWEAR PLC
Statement of Changes in Equity
As on 30 June, 2021

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Amount in BDT
Balance as at 01 July, 2020	10,000,000	301,972,000	(2,341,579)	309,630,421
Addition During the Period	-	-	10,804,591	10,804,591
Addition During the Period	-	-	-	-
Balance as at 30 June, 2021	10,000,000	301,972,000	8,463,012	320,435,012

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Location: Dhaka
Dated: 12 October 2022
Ref:GKC/22-23/A/110

MK FOOTWEAR PLC
Statement of Cash Flows
For the year ended 30 June 2022

Particulars	Notes	2021-2022 BDT	2020-2021 BDT
Cash flows from operating activities:			
Cash Received from Customers and others income	35	1,085,981,691	447,807,634
Cash Paid to Suppliers, employees & others expenses	36	(1,024,350,623)	(479,137,332)
Income tax paid	37	(10,752,359)	(2,808,445)
Net Cash (used in)/generated by operating activities (A)		50,878,709	(34,138,143)
Cash flows from investing activities:			
Property Plant and Equipment / Capital in Working Progress	38	(170,213,365)	(234,997,803)
ROU Assets		(2,083,589)	-
Inter-Company Receivable		(116,876,000)	-
Intangible Assets		(165,000)	-
Net Cash used (used in)/generated by investing activities (B)		(289,337,954)	(234,997,803)
Cash flows from financing activities:			
Long term Bank Loan Received/(Re-paid)		28,846,488	230,717,063
Short term Bank Loan Received/(Re-paid)		177,991,984	240,755,698
Share Capital/Share Money Deposit Received		66,500,000	-
Lease Payment		(1,296,235)	(900,000)
Financial Expenses		(86,226,426)	(63,143,876)
Net cash flows from financing activities (C)		185,815,811	407,428,885
Net changes increase/(decrease) in cash and cash equivalents (A+B+C)		(52,643,434)	138,292,939
Unrealized Foreign Exchange Gain/(Loss)		9,207,350	1,954,948
Cash & cash equivalents at the beginning of the period		144,129,717	3,881,830
Cash & cash equivalents at the end of the period		100,693,633	144,129,717
Net Operating Cash Flow per share (NOCFPS)	33	1.34	(1.09)

The annexed notes (1 to 45.05) form an integral part of these Financial Statements.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Chief Financial Officer

Sd/-
Company Secretary

Location: Dhaka
Dated: 12 October 2022
Ref: GKC/22-23/A/110

MK FOOTWEAR PLC
Notes, Summary of Significant accounting policies & other explanatory information
For the year ended 30 June, 2022

1 REPORTING ENTITY

MK Footwear Ltd. was incorporated as a private limited company in Bangladesh on 12 November, 2015 under the Companies Act- 1994 and vide Registration No C-126912/2015. It is a 100% export oriented company. The company converted into public limited company vide Special Resolution in EGM dated May 29, 2022 and duly filed with & passed by RJSC. It has started commercial operation on 02 July, 2020.

Address of registered office of the company and factory of the company

Corporate office: The Corporate office of the company is located at Apt-1B, House No-17/A, Road No-3, DOHS Banani, Dhaka-1206

Registered Address: Nayonpur Bazar, Chalkpara, Medical More, Mawna-Dulivita RD, Mawna Union 1740, Gazipur.

Factory Address: The factory is situated at Chawkpara, Mawna, Sreepur, Gazipur-1740

Nature of business

The company is engaged in the production of all types of quality leather/synthetic footwear and export 100% of its produce to international market.

2.00 Basis of preparation of Financial statements**Significant Accounting Policy for the presentation of the financial Statements**

The specific accounting policies selected and applied by the company's management for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

2.01 Corporate financial statements and reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and other explanatory notes covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and as applicable to this Company.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the International Accounting Standards (IASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at reporting date. Due to the inherent uncertainty involved in making estimates, actual result could differ from those estimates.

2.02 Fundamental accounting concepts/ assumptions

The financial statements have been prepared based on Going concern assumption, Consistency concept, Accrual basis and such other convention as required by IAS-1 for fair presentation of financial statements.

2.03 Going concern

The company has adequate resources to continue its operation for the foreseeable future. For this reasons, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.04 Compliance with IAS & IFRS

The following IAS is applicable to the financial statements for the year under review:

IAS	Title	Remark
IAS 1	Presentation of Financial Statements	Applied

IAS 2	Inventories	Applied
IAS 7	Statement of Cash Flows	Applied
IAS 8	Accounting policies, Changes in Accounting Estimates & Errors	Applied
IAS 10	Events after the Reporting period	Applied
IAS 12	Income Taxes	Applied
IAS 16	Property, Plant And Equipment	Applied
IAS 19	Employee Benefits	Applied
IAS 21	The Effects of Changes in Foreign Exchange Rates	Applied
IAS 23	Borrowing Costs	Applied
IAS 24	Related Party Disclosures	Applied
IAS 32	Financial Instruments: Presentation	Applied
IAS 33	Earnings Per Share	Applied
IAS 36	Impairment of Assets	Applied
IAS 37	Provision , Contingent Liabilities and Contingent Assets	Applied
IAS 38	Intangible Assets	Applied

The following IFRS is applicable to the financial statements for the year under review:

IFRS	Title	Remark
IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards	Applied
IFRS 7	Financial Instruments: Disclosures	Applied
IFRS 8	Operating Segments	Not Applicable
IFRS 9	Financial Instruments	Applied
IFRS 15	Revenue From Contracts with Customers	Applied
IFRS 16	Leases	Applied

2.05 Reporting period

The period of the financial statements covers from 01 July, 2021 to 30 June, 2022

2.06 Comparative information and rearrangements thereof:

In accordance with the provisions of IAS- 1: "Presentation of Financial Statements", Comparative information that is available has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period's financial statements.

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements. Interest expenses are paid for obtaining financial resource and as such management decided to disclose it under Financing Activities of Statement of Cash Flows.

2.07 Offsetting:

An entity shall not offset assets and liabilities or income and expenses, unless required or permitted by IFRS.

2.08 Leases

An entity shall assess a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In line with IFRS-16 Leases, an entity shall determine the lease term as the non-cancellable period of a lease together with both:

- I. Period covered by the option to extend the lease and;
- II. Period covered by the option to terminate the lease.

Initial measurement of right of use asset shall be measured at cost and subsequently either by fair value or follow revaluation model See annex Annex-III & Note 8)

IFRS-16 leases has not been applied for Generator Rent and Factory Rent as these lease are for short term lease as per para 5 of IFRS-16

2.09 Events after the reporting period.

In Compliance with the requirements of IAS 10 Events After the Reporting Period that Period that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes

when material.

2.10 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.11 Comparative information and rearrangement thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.12 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported value of assets, liabilities, income and expenses . The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are revised when there is material impact on the financial results of the company.

2.13 Approval of these Financial Statements by Board of Directors

The Board of Directors has approved these Financial Statements on 12 October 2022.

2.14 Regulatory Compliance

The financial Statements have been prepared in compliance with the following laws and regulations;

The Companies Act, 1994

The Bangladesh Securities and Exchange Rule 1987

The Bangladesh Securities and Exchange Commission Act 1993.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax (VAT) Supplementary Duty Act, 2012

2.15 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in prior periods.

For a proper understanding of the financial statements, these accounting policies are set out in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

2.16 Recognition of Property, Plant & Equipment's

Property, Plant & Equipment's have been stated at cost less accumulated depreciation (Written down value). The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended used. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

2.17 Depreciation on Property, Plant & Equipment's

Depreciation on all Property, Plant & Equipment's is computed using the reducing balance method so as to write off the assets over their expected useful life from the date when the corresponding assets are available for use as per management intention. No depreciation have been charged after the date of

retirement.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Category of fixed assets	Rate of Depreciation
Land and Land Development	0%
Building & Other Civil Constructions	5%
Plant & Machineries	10%
Electrical Equipment & Installations	10%
Solar Power Plant	10%
Fire Fighting Equipment & Installation	10%
Furniture & Fixture	10%
Motor Vehicles	20%

2.18 Revenue recognition

The core principle of IFRS 15 is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- a. Identify the contract(s) with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligations in the contract
- e. Recognize revenue when (or as) the entity satisfies a performance obligation.

2.19 Liabilities for expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.20 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the Average Cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.21 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

2.22 Statements of Cash Flows:

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows " and the cash flows from the operating activities have been presented under direct method.

2.23 Accounting Policies, Changes in Accounting Estimates and Errors:

Changes in accounting policies:

An entity shall change an accounting policy only if the change:

- (a) is required by an IFRS; or
- (b) results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, Financial performance or cash flows.

2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.25 Income-tax expense**Current Tax:**

Income tax is calculated and provision is made in compliance with the provisions of Finance Act 2022 and the Income Tax Ordinance 1984.

Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transactions which is recognized in the statement of profit or loss and other comprehensive income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount, reported amount in the statement of financial position. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future periods recognized in the current year as per IAS 12- Income tax.

2.26 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

(a) Foreign currency monetary items are translated using the closing rate.

(b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

3.00 Related party disclosures

IAS 24 *Related Party Disclosures* requires disclosures about transactions and outstanding balances with an entity's related parties. The standard defines various classes of entities and people as related parties and sets out the disclosures required in respect of those parties, including the compensation of key management personnel.

The details of related party transactions have been disclosed in Note - 40.00

4.00 Financial Instruments

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Financial assets:

Financial assets of the company include cash and cash equivalents, accounts receivable, other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction .The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired. Financial liabilities includes payable for expense, liability for capital expenditure and other current liabilities.

4.01 Earnings Per Share & Diluted Earnings Per Share**Earnings Per Share:**

This has been calculated in compliance with the requirement of IAS-33 : Earnings per share by dividing the net earnings attributable to the shareholders by the weighted average number of ordinary shares outstanding during the year .

Basic Earnings per share (Numerator /Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders

No. of ordinary shares (Denominator)

This represents weighted average number of ordinary share outstanding during the year.

Diluted Earning Per Share:

Diluted earnings per share (diluted EPS) calculates a company's earnings per share if all convertible securities were converted

Diluted Earning per Share=Net Income/Weighted number of Share

4.02 Impairment of Assets:

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flow of that asset , that can be estimated reliably . Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc. No such impairment has been raised till the reporting date.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset shall be treated as a revaluation decrease. No such impairment has been raised till the reporting date.

4.03 Provision , Contingent Liabilities and Contingent Assets :

Contingent Liabilities and Contingents Assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability. In accordance with IAS-37.

4.04 Intangible Assets

In Compliance with the requirements of IAS, 38 Intangibles Assets '

The following terms are used in this Standard with the meanings pacified:

Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

An asset is a resource:

- (a) controlled by an entity as a result as past events; and
- (b) From which future economic benefits are expected to flow to the entity.

An intangible asset shall be recognized if , and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and
- (b) the cost of the asset can be measured reliably

4.05 Financial statements comprises:

- a) Statement of Financial Position as on 30 June 2022
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022
- c) Statement of Cash Flows For the year ended 30 June 2022
- d) Statement of Changes in Equity as on 30 June 2022
- e) Notes to the financial statements as on 30 June 2022

4.06 Employee Benefits

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is

determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS-19: Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

Worker's Profit & Participation Fund:

The company has decided to provide 5% WPPF on net profit before tax as per chapter-15 of Labor Law 2006 as amended up to 2013. The registration of such WPPF with the National Board of Revenue (NBR) is under process.

Short Term Employee Benefits

These includes better working conditions in line with overseas customer's requirement, Day care center, Health care facility, Transportation for admin and management employee, Advance against salary, Festival bonus etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided. This period company provide salary & wages and director remuneration BDT 194,117,955

4.07 Risk Factors and Management's Perceptions about the Risks

The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on its business, result of its operations and financial condition, as follows:

I. Interest rate risks:

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans/ investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rises in interest rates however mostly affect companies having floating rate loans

Management perception:

The Company maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

II. Exchange rate risks:

If exchange rate increases against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand, if exchange rate goes down, margin is squeezed in local currency.

Management perception:

The products of the company are sold in foreign currency and payment for raw materials are made mostly in foreign currency. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

III. Input Cost Risks:

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

Management perception:

Management of the Company would hedge their exposure to input price volatility by adjusting its selling price.

MK FOOTWEAR PLC
Note to the Financial Statement
As on and For the year ended 30 June, 2022

Particulars	30-Jun-2022 BDT	30-Jun-2021 BDT
5.00 Property, Plant & Equipment		
Cost		
Opening Balance	1,006,661,718	98,800,742
Addition during the year	379,012,744	907,860,976
	<u>1,385,674,462</u>	<u>1,006,661,718</u>
Disposal during the year	-	-
	<u>1,385,674,462</u>	<u>1,006,661,718</u>
Accumulated Depreciation		
Opening Balance	75,536,514	43,500.00
Addition during the year	90,422,243	75,493,014
	<u>165,958,757</u>	<u>75,536,514</u>
Written Down Value (WDV)	<u>1,219,715,705</u>	<u>931,125,204</u>
Details are in Annex-I		
6 Intangible Asset		
Cost		
Opening Balance	-	-
Addition during the year	165,000	-
	<u>165,000</u>	-
Disposal during the year	-	-
	<u>165,000</u>	-
Accumulated Depreciation		
Opening Balance	-	-
Addition during the year	49,500	-
	<u>49,500</u>	-
Written Down Value (WDV)	<u>115,500</u>	-
Details are in Annex-II		
7 Capital Work In Progress		
Building & Other Civil Construction	-	48,247,798
Plant & Machineries	-	160,551,581
	<u>-</u>	<u>208,799,379</u>
7.0 Building & Other Civil Constructions		
1		
Opening Balance	48,247,798	306,822,477
Addition During the year	30,222,750	49,739,998
	<u>78,470,548</u>	<u>356,562,475</u>
Transfer to Property Plant & Equivalent	78,470,548	308,314,677
Closing Balance	<u>-</u>	<u>48,247,798</u>

7.02 Plant & Machineries		
Opening Balance	160,551,581	574,840,075
Addition During the year	1,605,516	178,390,646
	<u>162,157,097</u>	<u>753,230,721</u>
Transfer to Property Plant & Equivalent	162,157,097	592,679,140
Closing Balance	<u>-</u>	<u>160,551,581</u>
Capital work in progress represents costs incurred for Building & Other Civil Constructions and Plant & Machineries which are not available for use as per managements' intention as on the reporting date.		
8 Right-of-use (ROU) assets		
Opening balance	1,572,340	-
Addition during the year	9,763,589	2,358,510
	<u>11,335,929</u>	<u>2,358,510</u>
Depreciation during the year	<u>(1,192,861)</u>	<u>(786,170)</u>
Closing balance	<u>10,143,068</u>	<u>1,572,340</u>
Details are in Annex-III		
9 Non-Current Security Deposits		
Security Deposit-REB	1,000,000	1,000,000
Advance for Office Rent	195,000	195,000
	<u>1,195,000</u>	<u>1,195,000</u>
10 Inventories		
Material	105,006,598	104,758,321
Work-in-Process	47,976,262	25,380,529
Finished Goods	178,821,585	177,684,601
Stores & Spares	2,312,475	542,384
	<u>334,116,920</u>	<u>308,365,835</u>
a) Quantity reconciliation of products were done properly.		
b) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.		
c) The company has conducted a test (physical verification/stock taking) of above inventories as on 30 June, 2022		
11 Accounts & Other Receivables:		
Trade Receivables (*)	281,513,812	116,232,518
Incentive Receivable	16,153,360	-
	<u>297,667,172</u>	<u>116,232,518</u>

(*) Details of Trade Receivables are in Annex VI

Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:			
I)	Debts considered good and in respect of which the company is fully secured.	297,667,172	116,232,518
II)	Debts considered good for which the company holds no security other than the debtors personal security and	-	-
III)	Debts considered doubtful or bad.		-
IV)	Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or Debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated.		-
V)	Debts due by companies under the same management to be disclosed with the names of the companies.		-

VI)	The maximum amount due by directors or other officers of the company at any time during the year to be shown by way of a note.		-
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Aging of Accounts Receivable is given below:**Particulars**

1-3 Months	272,171,976	116,232,518
More than 3 Months	9,341,836	-
	<u>281,513,812</u>	<u>116,232,518</u>

12 Advance Deposit & Prepayment

Advance Against L/C	-	771,033
Advance against purchase/service	-	541,871
	<u>-</u>	<u>1,312,904</u>

There is no amount of advances due for payment for a period of more than 12 months from the date of Statement of financial position.

There is no aggregate amount due from Directors.

All advance and deposit amount considered good and recoverable.

There is no agreement with director and officers of the company regarding advance or due amount.

There are no claims against the company, which can be acknowledged as bad debt.

13 Inter-Company Receivable

Moynakuti Agro Industries Limited	116,876,000	-
	<u>116,876,000</u>	<u>-</u>

The above represent interest free loan provided to related entity which will be realized within next year.

14 Advance Income Tax

Opening Balance	2,870,576	62,131
Addition during the year (note 14.1)	10,752,359	2,808,445
	13,622,935	2,870,576
Adjustment made during the year	(2,808,445)	-
Closing Balance	<u>10,814,490</u>	<u>2,870,576</u>

14.1 Tax paid during the year

Tax paid on Cash Incentive Income	5,511,300	637,100
Tax paid on Motor Vehicle	150,000	-
Tax Paid on Export realization/Advance against Export	5,091,059	2,171,345
	<u>10,752,359</u>	<u>2,808,445</u>

15 Cash and Cash Equivalents:

Cash in Hand	645,201	811,658
Short Notice Deposit A/c- 18024000235	13,981	-
FBR Margin Account	22,585,399	15,032,742
Sundry Deposit Account	1,900,000	-
Rupali Bank Ltd, FC A/c No - 18027005037	60,281,453	123,628,371
Southeast Bank Ltd, CD A/c No - 211100048890	1,756,361	3,194,132
Rupali Bank Ltd, CD A/c No - 20009691	13,511,238	1,462,814
	<u>100,693,633</u>	<u>144,129,717</u>

Cash in hand was physically verified by the management. Bank balances were reconciled & confirmed.

16 Share Capital:**Authorized Share Capital:**

100,000,000 Ordinary shares @ of Tk. 10/- each	1,000,000,000	50,000,000
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1,000,000,000 50,000,000

The authorized capital of the company has been increased to BDT 100.00 crore vide Extra Ordinary Resolution in EGM dated March 28, 2022 and duly filed with & passed by RJSC.

Issued, Subscribed and Paid-up Capital:

37,847,200 Ordinary shares @ of Tk. 10/- each fully paid in cash 378,472,000 10,000,000

378,472,000 **10,000,000**

Name of Shareholders

Kazi Rejaul Kabir	5,000,000	-
Farah Zaman	18,000,000	-
Md. Akteruzzaman	21,000,000	1,000,000
Deal N Deliver	16,500,000	-
Sifat Ahmed Chaudhuri	5,000,000	-
Hayat Trade International	17,500,000	-
Noor Mohammed	178,672,000	9,000,000
Mir Mahfuza Mohammed	30,000,000	-
F.M Hasan Mahfuz Russell	15,000,000	-
M/s. Alam Enterprise	16,500,000	-
NS Info Equity Limited	16,000,000	-
Nupur Zaman	18,000,000	-
Mir Shoureen Shams	18,000,000	-
Mohammed Tohidul Islam	500,000	-
Md. Masud Rana	500,000	-
Sarwar Hussain	2,300,000	-
	378,472,000	10,000,000

The company splits its share from Tk. 100/- to Tk. 10/- each in EGM dated Mach 28, 2022 and duly filed with & passed by RJSC.

17 Share Money Deposit	-	301,972,000
	-	301,972,000
18 Retained Earnings		
Opening Balance	8,463,012	(2,341,579)
Net Profit/(Loss) during the year	103,089,285	10,804,591
	111,552,297	8,463,012
19 Long Term Loan-Non Current Maturity:		
Project Loan, A/c No - 18067000284	556,121,671	586,923,812
Project Loan, A/c No - 18067000201	197,083,975	180,042,508
IDCP (Interest During Construction Period)	60,648,606	16,545,940
Block Interest	8,184,477	9,679,981
	822,038,729	793,192,241
Less: Transfer to Term Loan-Current Maturity	(128,283,044)	(38,057,331)
	693,755,685	755,134,910

Disclosure about long term loan -As per Schedule XI, Part I, Para-a (4) of the Company Act, 1994

Particulars	Project Loan (18067000284)	Project Loan (18067000201)
Purpose	Import Brand New Machine	Import Brand New Machine and Construction of Factory Building
Tenure:	Ten Years from the date of disbursement	Ten Years from the date of disbursement
Repayment:	From proceed realization	From proceed realization
Rate of Interest:	9%	9%
Security:	Imported Machineries, Projects Land and Building	A) 350.88 decimal land and Building and Machineries of that Land located

	Dhonua (Muaza), Shrepur, Gazipur,	
20 Lease liability		
Opening balance	1,641,686	-
Addition during the year	7,680,000	2,358,510
Finance cost	250,920	183,176
	9,572,606	2,541,686
Rent paid	(1,296,235)	(900,000)
Closing balance	8,276,371	1,641,686
<i>Allocated to:</i>		
Non-current liabilities	6,114,483	857,618
Current liabilities	2,161,888	784,068
	8,276,371	1,641,686
Details are in Annex-IV		
21 Trade and Other Payables:		
Advance Against Export(**)	66,018,250	145,155,440
Trade Payable (*)	105,351,204	59,056,957
	171,369,454	204,212,397
(*) Details of Trade Payable Details are in Annex VII		
(**) Advance against Export represent, amount received in advance for sales contract against which no product is delivered during the year.		
22 Short Term Loan:		
Cash Credit Hypothecation	144,956,742	74,314,698
Clean/Temporary Overdraft	-	26,657,774
COVID 19 Revolving Refinance Scheme	23,865,572	22,036,345
Export Development Fund (EDF)	250,764,089	189,650,381
Purchase Against Documents (PAD)	124,395,204	53,910,886
COVID 19 Stimulus Funds Workers Salary	20,331,461	16,915,732
	564,313,068	383,485,816

Particulars	Cash Credit Hypothecation	COVID 19 Revolving Refinance Scheme	COVID 19 Stimulus Funds Workers Salary
Purpose:	Import Raw Material	Working Capital	Working Capital
Tenure:	One year	One year	One year
Repayment:	Export Bill Collection and Company's own fund	Export Collection and Fund	Export Collection and Fund
Rate of Interest:	9%	9%	9%
Security:	Original Export Master Letter of Credit (L/C)	Stock Inventory	Stock Inventory

23 Liabilities for Expenses:		
Audit Fee	345,000	115,000
Electricity Bill	1,775,645	1,273,249
Generator Rent	380,000	220,000
Factory Rent	760,000	-
Directors' Remuneration	399,000	-
Salary & Wages Payable	15,460,748	7,048,145
Other Payable	1,323,080	75,000

	20,443,473	8,731,394
24 Provision for Income Tax		
Opening Balance	2,870,600	62,155
Addition during the year:		
Tax on Business income (note 24.1)	5,091,059	2,171,345
Tax on other income (note 24.2)	5,514,220	637,100
	13,475,879	2,870,600
Paid/Adjusted during the year	(2,808,445)	-
	10,667,434	2,870,600
24.1 Tax on Business Income		
Net Profit before Tax	111,299,904	15,049,627
Less: Other income	(71,276,977)	(6,371,000)
Less: Unrealised Foreign Exchange gain/(Loss)	(10,206,238)	449,320
Add: Accounting Depreciation & Amortization	90,471,743	75,493,014
Add: WPPF	5,564,995	-
Less: Tax Depreciation	(188,216,516)	(150,172,312)
Business Income	(62,363,089)	(65,551,351)
Carry Forward of Previous years Loss	-	-
Taxable Business income	(62,363,089)	(65,551,351)
Tax rate on Business Income	12%	15%
Tax on Business Income (A)	-	-
TDS on Export received (B)	5,091,059	2,171,345
Tax on Gross receipt (C) @ 0.2618% (12/27.5*.6)	3,508,439	1,325,630
Tax liabilities on business income (Higher of A, B,&C)	5,091,059	2,171,345
Un-used Tax Loss:		
Opening Balance	68,276,608	2,725,257
Addition during the year	62,363,089	65,551,351
	130,639,697	68,276,608
Less: use of unused tax	-	-
Un-used Tax Loss	130,639,697	68,276,608
24.2 Tax on other Income		
Tax on Cash Incentive Income	5,511,300	637,100
Tax on Interest income @ 27.5%	2,920	-
	5,514,220	637,100
Tax on Cash Incentive Income:		
Cash Incentive Income	71,266,360	6,371,000
Less: Unrealized during the year	(16,153,360)	-
Cash Incentive Received during the year	55,113,000	6,371,000
Income Tax Rate	10%	10%
Tax on Cash Incentive Income	5,511,300	637,100
	1,268,844,877	435,505,568
	1,268,844,877	435,505,568
25 Revenue:		
Export Sale	1,268,844,877	435,505,568
	1,268,844,877	435,505,568
26 Cost of Goods Sold:		

Material Consumed (note 26.01)	808,153,215	383,685,104
Manufacturing Overhead (note 26.02)	318,051,560	179,635,124
	<u>1,126,204,775</u>	<u>563,320,228</u>
Opening Work in Process	25,380,529	-
	<u>1,151,585,304</u>	<u>563,320,228</u>
Closing Work in Process	(47,976,262)	(25,380,529)
	<u>1,103,609,042</u>	<u>537,939,699</u>
Opening Finished Goods	177,684,601	-
Cost of Goods available for sale	<u>1,281,293,643</u>	<u>537,939,699</u>
Closing Finished Goods	(178,821,585)	(177,684,601)
Cost of Sales	<u><u>1,102,472,058</u></u>	<u><u>360,255,098</u></u>
26.01 Material Consumed:		
Opening Stock	104,758,321	58,622,560
Add: Purchase during the year	808,401,492	429,820,865
Less: Closing Stock	(105,006,598)	(104,758,321)
	<u>808,153,215</u>	<u>383,685,104</u>
26.02 Manufacturing Overheads:		
Wages & Salaries	184,534,205	84,806,178
Depreciation	89,691,398	75,323,464
Electricity Bill	21,778,230	9,170,436
Generator Rent	4,440,000	2,640,000
Factory Rent	6,700,000	-
Fuel & Lubricant	2,080,453	1,920,341
Repairs & Maintenance	1,260,307	1,680,724
Workers Tiffin	2,910,108	1,446,820
Loading Unloading	1,186,869	1,392,420
Medical & Welfare	137,139	662,581
Workers' Transportation	604,516	168,738
Inspection Expenses	1,087,146	-
Conveyance	524,443	-
Internet Bill	90,167	-
Mobile Bill	50,215	-
Fire Extinguishing Expenses	50,070	-
Training Expenses	289,700	-
Others	636,594	423,422
	<u>318,051,560</u>	<u>179,635,124</u>
27 Foreign Exchange Gain/(Loss)		
Realized FC Gain/(Loss)	(18,128,641)	4,659,645
Unrealized FC Gain/(Loss)	10,206,238	449,320
	<u>(7,922,403)</u>	<u>5,108,965</u>
28 Administrative Expenses:		
Salaries & Allowances	4,227,350	2,574,936
Depreciation on ROU assets	1,192,861	786,170
Directors' Remuneration	3,500,000	-
Registration & Renewal	142,706	204,362
RJSC Expenses	1,314,321	-
Depreciation	730,845	169,550
Amortization of Intangible Assets	49,500	-
Audit Fees	345,000	115,000
Conveyance	103,787	65,165
Entertainment	69,698	64,044

	Vehicle Expenses	646,321	63,055
	Stationery	218,392	58,120
	Postage & Courier Service	74,783	45,100
	Electricity Bill	74,452	29,478
	Telephone, Mobile and Internet	32,000	23,050
	Others	165,181	-
		12,887,197	4,198,030
29	Distribution Expenses:		
	Conveyance	105,603	82,397
	Entertainment	92,827	70,638
	Export Expenses	9,742,548	2,497,834
	Salaries & Allowances	1,856,400	620,700
	Stationeries	249,630	45,127
		12,047,008	3,316,696
30	Non-Operating Income:		
	Cash Incentive	71,266,360	6,371,000
	Interest Income	10,617	-
		71,276,977	6,371,000
31	Financial Expenses:		
	Export Bill Realization Expenses/Income	1,450,943	839,030
	Interest on Short Term Loan	16,889,800	12,127,238
	Bank Charges & Commissions	570,366	342,083
	Finance costs-lease liability	250,920	183,176
	Interest on Long Term Loan	68,766,260	50,674,555
		87,928,289	64,166,082

	2021-2022 BDT	2020-2021 BDT
32 Earning per share (EPS)		
Basic earnings per share:		
Profit after tax	103,089,285	10,804,591
Profit attributable to ordinary shareholders	103,089,285	10,804,591
Total weighted average number of shares outstanding during the year	32,308,570	1,000,000
Basic earnings per share (Tk 10/= per Share)	3.19	10.80
Diluted earnings per share:		
Profit attributable to ordinary shareholders	103,089,285	10,804,591
Weighted-average number of ordinary shares outstanding during the year	32,308,570	1,000,000
Diluted potential number of ordinary shares	-	30,197,200
Total number of shares as dilutive potential ordinary shares	32,308,570	31,197,200
Diluted earnings per share (Tk 10/= per Share)	3.19	0.35

As per Para 28 of IAS 33, EPS & Diluted EPS has been re-stated due to share split during the year under audit.

Weighted-average number of ordinary shares outstanding during the year

Particulars	Amount	No of	No	Weight	Price per Share	weighted
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		Days use capital	Day in a year			number of share
Share Capital	10,000,000	365	365	1.00	10	1,000,000
Capitalization of Share Money Deposit	301,972,000	365	365	1.00	10	30,197,200
New Share issue	66,500,000	61	365	0.17	10	1,111,370
Total	378,472,000					32,308,570

33 Net Operating Cash Flow per Share (NOCFPS)

Net Operating Cash Flow	50,878,709	(34,138,143)
No. of Share for Share Capital	37,847,200	1,000,000
Potential No. of Share for Share Money Deposit	-	30,197,200
Total No of Share to Calculate Net Asset Value Per Share	37,847,200	31,197,200
Net Operating Cash Flow per share	1.34	(1.09)

As per FRC Notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020, potential no. of share for share money deposit also considered to calculate NOCFPS.

As per Para 28 of IAS 33, NOCFPS has been re-stated due to share split during the year under audit.

34 Net Asset Value Per Share (NAVPS)

Shareholders' Equity	490,024,297	320,435,012
No. of Share for Share Capital	37,847,200	1,000,000
Potential No. of Share for Share Money Deposit	-	30,197,200
Total No of Share to Calculate Net Asset Value Per Share	37,847,200	31,197,200
NAVPS (Net Asset Value Per Share)	12.95	10.27

As per FRC Notification no. 186/FRC/admin/circular/2020/01, dated 11 February, 2020, potential no. of share for share money deposit also considered to calculate NAVPS.

Due to share split, prior year's number of share considered @ Tk. 10/- to calculate NAVPS.

35 Cash Received from Customers and others income

Revenue	1,268,844,877	435,505,568
Foreign Exchange Gain/(Loss) Related to Accounts & Other Receivables	7,882,624	2,761,546
Other Income	71,276,977	6,371,000
Add: Accounts Receivables balance b/d	116,232,518	-
Less: Accounts Receivables balance c/d	(297,667,172)	(116,232,518)
Add: Advance Against Sale C/d	66,018,250	145,155,440
Less: Advance Against Sale b/d	(145,155,440)	(24,914,372)
Less: Export Bill Collection Charge	(1,450,943)	(839,030)
	1,085,981,691	447,807,634

36 Cash Paid to Suppliers, employees and others expenses

Cost of Goods Sold	(1,102,472,058)	(360,255,098)
Administrative expenses	(12,887,197)	(4,198,030)
Selling and distribution Expenses	(12,047,008)	(3,316,696)
Adjustment for Depreciation	90,422,243	75,493,014
Adjustment for Amortization	49,500	-
Depreciation on ROU assets	1,192,861	786,170
Increase/Decrease Trade Payables	46,294,247	55,151,092
Foreign Exchange Gain/(Loss) Related to Accounts & Other Payables	(22,177,109)	261,904
Increase/Decrease Liability for expenses	11,712,079	7,996,491
Increase/Decrease Inventory	(25,751,085)	(249,743,275)
Increase/Decrease Advance deposits and prepayments	1,312,904	(1,312,904)
	(1,024,350,623)	(479,137,332)

37 Income Tax paid

Opening AIT	2,870,576	62,131
Closing AIT	(10,814,490)	(2,870,576)
Current year Provision	(10,605,279)	(2,808,445)
Opening Provision for Tax	(2,870,600)	(62,155)
Closing Provision for Tax	10,667,434	2,870,600
	(10,752,359)	(2,808,445)
38 Cash flow for Property Plant and Equipment / Capital in Working Progress		
Addition to Property Plant & Equipments	(379,012,744)	(907,860,976)
Addition to Capital Work In Progress	(31,828,266)	(228,130,644)
Adjustment for Transfer from CWIP to PPE	240,627,645	900,993,817
	(170,213,365)	(234,997,803)
39 Reconciliation of Net profit before tax with Cash flow from operating activities		
Net profit before income tax	111,299,904	15,049,627
Add: Finance Cost	86,477,346	63,327,052
Adjustment for Depreciation	90,422,243	75,493,014
Adjustment for Amortization	49,500	-
Depreciation on ROU assets	1,192,861	786,170
Workers' Profit Participation Fund (WPPF)	5,564,995	-
(Increase)/Decrease Inventory	(25,751,085)	(249,743,275)
(Increase)/Decrease Receivable	(181,434,654)	(116,232,518)
Increase/Decrease Advance deposits and prepayments	1,312,904	(1,312,904)
Increase/(Decrease) Accounts Payables	(32,842,943)	175,392,160
Increase/Decrease Liability for expenses	11,712,079	7,996,491
Unrealized Foreign Exchange Gain/(Loss)	(9,207,350)	(1,950,948)
Unrealized Foreign Exchange Gain/(Loss)	2,835,268	(134,567)
Income Tax Paid	(10,752,359)	(2,808,445)
Net Cash (used in)/generated by operating activities	50,878,709	(34,138,143)

40.00 Related Party Disclosure:

During the year, The Company carried out a numbers of transactions with related parties in the normal course of business. The names of the related parties and nature of these transaction have been set out in accordance with the provisions of IAS -24: "Related Party Disclosure".

Name of Party	Relationship	Nature of Transaction	Opening Balance as at 01 July, 2021 (Dr.)/Cr.	Transaction during the year		Closing Balance as at 30 June, 2022 (Dr.)/Cr.
				Dr.	Cr.	
Mir Mahfuza Mohammed	Chairman	Share Capital	30,000,000	30,000,000	-	-
Noor Mohammed	Managing Director & Sponsor	Share Capital	169,672,000	169,672,000	-	-
		Directors' Remuneration	-	3,500,000	3,500,000	-
Md. Akteruzzaman	Director	Share Capital	20,000,000	20,000,000	-	-
F.M Hasan Mahfuz Russell	Chief Executive Officer (CEO)	Share Capital	15,000,000	15,000,000	-	-
		Salary	-	1,100,000	1,100,000	-
Mohammed Tohidul Islam	Company Secretary	Share Capital	500,000	500,000	-	-
		Salary	-	935,000	935,000	-
Kazi Rejaul	Shareholder	Share Capital	5,000,000	5,000,000	-	-

Kabir						
Farah Zaman	Shareholder	Share Capital	18,000,000	18,000,000	-	-
Deal N Deliver	Shareholder	Share Capital	-	16,500,000	16,500,000	-
Sifat Ahmed Chaudhuri	Shareholder	Share Capital	5,000,000	5,000,000	-	-
		Salary	-	900,000	900,000	-
Hayat Trade International	Shareholder	Share Capital	-	17,500,000	17,500,000	-
M/s. Alam Enterprise	Shareholder	Share Capital	-	16,500,000	16,500,000	-
NS Info Equity Limited	Shareholder	Share Capital	-	16,000,000	16,000,000	-
Nupur Zaman	Shareholder	Share Capital	18,000,000	18,000,000	-	-
Mir Shoureen Shams	Shareholder	Share Capital	18,000,000	18,000,000	-	-
Md. Masud Rana	Shareholder	Share Capital	500,000	500,000	-	-
		Salary	-	255,000	255,000	-
Moynakuti Agro Industries Limited	Common Directorship	Loan Given	-	116,876,000	-	116,876,000
Sarwar Hussain	Shareholder	Share Capital	2,300,000	2,300,000	-	-
			66,800,000	251,331,000	67,655,000	116,876,000

41.00 Capacity Utilization :

Disclosure as per requirement of schedule XI, part II, para 7 of Company Act 1994

Section	Installed Capacity		Utilization Per day (Per Shift) Pcs).	Utilization
	Per day (Per Shift)			
	Pcs.			
Period ended 30 June 2022 Finishing - Shoes (Pcs)	10,000.00		7,570	76%

Disclosure as per requirement of schedule XI, Part II, Para 8 of

41.01 Company Act 1994

a) During the period no import in respect of raw materials and capital machineries on CIF basis has been made. The company import raw materials and capital machineries on CFR basis.

b) No Expenditure in foreign currency during the financial year on account of royalty, know-how, professional consultation fee, interest and other matters.

c) Value of all imported raw materials, spare parts and components consumed during the period and the value of all indigenous raw materials, spare parts and components similarly consumed and the percentage of each to the total consumption are as under:

Item Names	Consumed	% of Consumption
Raw Materials	808,153,215	100%

d) The company has not remitted any amount during the period in foreign currencies on account of dividend.

e) The company has not earned in foreign exchange from royalty, know-how, professional and consultation fee, dividend and other income except exports for goods calculated on FOB basis. Details are given below:

Particulars	Amount in (USD)	Amount in (BDT)
FOB Value of Export	14,569,232.69	1,268,844,877

42.00 Disclosures regarding Sales as per Para 3, Part –II, Schedule XI of the Companies Act 1994 are as follows:

a Quantity-wise sales for the period is as follows:

Name of product	Quantity (pcs)	Rate(Taka)	Taka
Shoes (PCS)	2,055,440	617.31	1,268,844,877
Total	2,055,440		1,268,844,877

b The company do not give any brokerage and discount on sales other than usual trade discount.

Quantitative details of opening stock, purchases / production, consumption / sales and closing stock of raw materials

c and finished goods are as under:

Item	Unit	Opening stock	Purchases/	Consumption/	Closing Stock
		Qty	Production	Sales	
		Qty	Qty	Qty	Qty
Raw material: Period ended 30 June 2022	Pair	4567886	35,249,574	35238748.43	4,578,712
Work in Process Period ended 30 June 2022	Pair	96,655	8,349,082	8,263,032	182,705
Finished goods: Period ended 30 June 2022	Pair	365,622.02	2,023,211.00	2,055,440.00	333,393

43.00 Employee position of M. K Foot Wear Limited. (as at June 30, 2022)

Disclosure as per requirement of schedule XI part II, Para 3 of the company Act 1994

All the employees receive salary/wages in excess of Tk. 8,200 per month.

Number of permanent staff	20
Number of permanent workers	1,306
Total:	1326

44.00 Disclosure as per requirement of Schedule XI part –II, Para 4 of Company Act 1994.

As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial period to the directors, including managing director, the managing agents or manager, if any ,by the company, subsidiaries of the company and any other person:-

No.	Particulars	2021-2022	2020-2021
(a)	Managerial Remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	9,769,233	-
(b)	Expenses reimbursed to Managing Agent	Nil	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil	Nil
(d)	Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	Nil	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate	Nil	Nil

	money value where applicable.		
(g)	Other allowances and commission including guarantee commission	Nil	Nil
(h)	Pensions etc.		
	(i) Pensions	Nil	Nil
	(ii) Gratuities	Nil	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil	Nil
(i)	Share Based payments	Nil	Nil

45.00 General**45.01 Segment Reporting**

As the company operates as a single business and geographic segment no segment reporting is felt necessary.

45.02 Contingent liability

There is no contingent liability as of the balance sheet date.

45.03 Receivable from Directors

Nothing is receivable from the director.

45.04 Last year's figures have been rearranged wherever it was found necessary.**45.05** Figures appearing in the financial statements have been rounded off to the nearest BDT.

MK FOOTWEAR PLC
Schedule of Property, Plant & Equipment
As on 30 June, 2022

Particular's	Cost			Depreciation				Annex-I
	Balance as on 01 July, 2021	Addition During the Period	Balance as on 30 June, 2022	Rate	Balance as on 01 July, 2021	Charged During the Period	Balance as on 30 June, 2022	Written Down Value as on 30 June, 2022
Land and Land Development	97,930,742	-	97,930,742	0%	-	-	-	97,930,742
Building & Other Civil Constructions	308,314,677	78,470,548	386,785,225	5%	15,415,734	15,625,829	31,041,563	355,743,662
Plant & Machineries	592,679,140	162,157,097	754,836,237	10%	59,267,914	66,854,214	126,122,128	628,714,109
Electrical Equipments & Installations	6,398,159	24,957,262	31,355,421	10%	639,816	2,863,583	3,503,399	27,852,022
Solar Power Plant	-	76,905,140	76,905,140	10%	-	1,281,752	1,281,752	75,623,388
Fire Fighting Equipments & Installation	-	30,660,197	30,660,197	10%	-	3,066,020	3,066,020	27,594,177
Furniture & Fixture	939,000	5,862,500	6,801,500	10%	133,050	666,845	799,895	6,001,605
Motor Vehicles	400,000	-	400,000	20%	80,000	64,000	144,000	256,000
Balance at 30 June, 2022	1,006,661,718	379,012,744	1,385,674,462		75,536,514	90,422,243	165,958,757	1,219,715,705
Balance at 30 June, 2021	98,800,742	907,860,976	1,006,661,718		43,500	75,493,014	75,536,514	931,125,204
Depreciation Allocated to:								
Manufacturing Overheads:	89,691,398							
Administrative Expenses:	730,845							
	90,422,243							

MK FOOTWEAR PLC
Schedule of Intangible Assets

As on 30 June, 2022

Particular's	Cost			Rate	Depreciation			Annex-II
	Balance as at 01 July, 2021	Addition During the Period	Balance as at 30 June, 2022		Balance as at 01 July, 2021	Charged During the Period	Balance as at 30 June, 2022	Written Down Value as at 30 June, 2022
Software	-	165,000	165,000	30%	-	49,500	49,500	115,500
Balance as at 30 June, 2022	-	165,000	165,000		-	49,500	49,500	115,500

MK FOOTWEAR PLC
Details of right-of-use assets
As on 30 June, 2022

Annex-III

Asset category	Cost				Months	Depreciation				Written down value as at 30 June 2022
	Balance at 01 July	Addition during the year	Adjustment during the year	Total at 30 June		Balance at 01 July	Charge for the year	Adjustment during the year	Total at 30 June	
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	
Dhaka Office	2,358,510	-	-	2,358,510	24/36	786,170	786,170	-	1,572,340	786,170
Motor Vehicles-01	-	4,879,297	-	4,879,297	4/60	-	325,286	-	325,286	4,554,011
Motor Vehicles-02	-	4,884,292	-	4,884,292	1/60	-	81,405	-	81,405	4,802,887
Total 2022	2,358,510	9,763,589	-	12,122,099		786,170	1,192,861	-	1,979,031	10,143,068
Total 2021	-	-	-	2,358,510		-	786,170	-	786,170	1,572,340

MK FOOTWEAR PLC
Details of lease liability
As on 30 June, 2022

Particulars	Date of commencement	Date of ending	Lease period (months)	Total Lease value	Discount rate	PV of lease payment	Interest for the year	Lease payment during the year	Net lease liabilities as at 30 June 2022
	BDT	BDT	BDT	BDT	(%)	BDT	BDT	BDT	BDT
Dhaka Office	Jul-20	Jun-23	36	2,700,000	9.00%	1,641,686	115,932	(900,000)	857,618
Motor Vehicles-01	Mar-22	February-2027	60	4,757,684	8.75%	3,840,000	111,655	(316,988)	3,634,667
Motor Vehicles-02	Jun-22	May-27	60	4,747,654	8.75%	3,840,000	23,333	(79,247)	3,784,086
Total 2022				12,205,338		9,321,686	250,920	(1,296,235)	8,276,371
Total 2021				2,700,000		2,358,510	183,176	(900,000)	1,641,686

Particulars	Lease current portion	Lease non-current portion	Total
Motor Vehicles-01	658,941	2,975,726	3,634,667
Motor Vehicles-02	645,329	3,138,757	3,784,086
Dhaka Office	857,618	-	857,618
	2,161,888	6,114,483	8,276,371

MK FOOTWEAR PLC
Calculation of Deferred tax
As at 30 June, 2022

Particulars	Annex-V	
	Amount in BDT 30-Jun-2022	Amount in BDT 30-Jun-2021
Carrying value (Accounting Base)		
Property , Plant and Equipment	1,219,715,705	931,125,204
Intangible Assets	49,500	
WPPF	(5,564,995)	
Unrealized Foreign exchange Gain/(Loss)	10,206,238	449,320
Cash Incentive	71,266,360	
Un-Used Tax Loss	-	-
	1,224,406,448	931,574,524
Carrying value (Tax Base)		
Property , Plant and Equipment	1,047,248,134	856,402,406
Intangible Assets	49,500	
Unrealized Foreign exchange Gain/(Loss)	-	-
Cash Incentive	55,113,000	
Un-Used Tax Loss	130,639,697	68,276,608
	1,233,050,331	924,679,014
Taxable /(Deductible)temporary difference	(8,643,883)	6,895,510
Income Tax rate of Operation Except Cash Incentive	12%	15%
Income Tax rate for Cash Incentive	10%	10%
Deferred Tax Liabilities/(Assets) at the end of the year	(1,360,333.00)	1,034,327
Closing Deferred Tax (Asset)/Liabilities	(1,360,333)	1,034,327
Opening Deferred Tax (Asset)/Liabilities	1,034,327	(402,264)
Deferred Tax (income) / Expenses:	(2,394,660)	1,436,591

MK FOOTWEAR PLC
Details of Trade Receivables
As on 30 June, 2022

				Annex-VI
L/C NO	Client Name	USD	Exc. Rate	BDT
MK0008/WT2021	NOVI	55,875.56	93.45	5,221,572
MK0010/WT2021	NOVI	61,814.40	93.45	5,776,555
MK0013/WT2021	NOVI	12,730.13	93.45	1,189,631
MK0014/WT2021	NOVI	336,378.74	93.45	31,434,593
MK0017/WT2021	NOVI	476,962.83	93.45	44,572,176
MK0022A/WT2021	NOVI	44,090.56	93.45	4,120,264
DC XIA150663	AIDER/DEICHMANN	31,815.50	93.45	2,973,158
5545607827	REDTAPE	170,841.50	93.45	15,965,138
MK0035B/WT2021	NOVI	26,754.53	93.45	2,500,211
MK0039/WT2021	NOVI	178,997.88	93.45	16,727,352
MK0036/WT2022	NOVI	435.59	93.45	40,706
MK0042/WT2022	NOVI	168,818.65	93.45	15,776,103
MK0040/WT2022	NOVI	179,537.99	93.45	16,777,823
FERRO/MKFL/003/2021	FERRO	361,632.00	93.45	33,794,510
SLDM-MK01	SLDM/DEICHMANN	100,689.80	93.45	9,409,462
21640FLC0037321	REDTAPE	597,244.75	93.45	55,812,522
MK0019/WT2021	NOVI	110,817.36	93.45	10,355,882
MK0041/WT2022	NOVI	49,775.42	93.45	4,651,513
MK0043/WT2022	NOVI	47,240.68	93.45	4,414,641
Total		3,012,453.85		281,513,812

MK FOOTWEAR LTD
Details of Trade Payable
As on 30 June, 2022

			Annex VII
L/C NO	USD	Exchange Rate	BDT
26321050004	2,674.56	93.45	249,938
26321060010	6,070.57	93.45	567,295
026322060041	1,040.00	93.45	97,188
026322060012	277,102.89	93.45	25,895,265
026322060011	195,236.75	93.45	18,244,874
026321060064	62,632.18	93.45	5,852,977
026321060058	463,612.50	93.45	43,324,588
0263220400211	13,290.12	93.45	1,241,962
0263220400212	31,079.06	93.45	2,904,338
0263220400205	1,902.91	93.45	177,827
0263220400206	4,961.79	93.45	463,679
0263220400207	1,800.18	93.45	168,227
0263220400208	2,027.24	93.45	189,446
0263220400209	5,953.06	93.45	556,313
0263220400153	16,578.53	93.45	1,549,264
0263220400154	15,769.05	93.45	1,473,618
0263220400155	5,778.41	93.45	539,992
0263220400119	12,118.50	93.45	1,132,474
26321150026	810.00	93.45	75,695
026322050025	6,915.41	93.45	646,245
Total	1,127,353.71		105,351,204

(b) Information as is required under section 186 of কোম্পানি আইন, ১৯৯৪ relating to holding company;

Not applicable for MK Footwear PLC as it is not a holding Company.

(c) Selected ratios on liquidity, profitability and solvency of the issuer as specified in Annexure D;**Auditor's certificate regarding calculation of EPS and Ratios**

This is to certify that MK Footwear Limited has maintained the following ratios as computed on the basis of the audited financial statements for the year ended 30 June 2022 and for the year ended 30 June 2021, 2020, 2019, and 2018.

Particulars	Formula	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Liquidity Ratios: (Times)						
Current Ratio	Current assets/Current liabilities	0.95	0.90	0.33	30.86	23.95
Quick Ratio	(Current assets-Inventories)/Current liabilities	0.58	0.41	0.03	30.86	23.95
Operating Ratios: (Times)						
Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	6.13	7.49	-	-	-
Inventory Turnover Ratio	Cost of Goods Sold /Average inventory	3.43	1.96	-	-	-
Asset Turnover Ratio	Net Sales/Average Total Assets	0.67	0.32	-	-	-
Profitability Ratios:						
Gross Margin Ratio	Gross profit/Net Sales	13.11%	17.28%	-	-	-
Operating Income Ratio	Operating profit/Net Sales	10.52%	16.73%	-	-	-
Net Profit Ratio	Net profit after tax/Net Sales	8.12%	2.48%	-	-	-
Return on Assets Ratio	Net profit after tax/Average Total assets	5.42%	0.78%	-0.15%	-0.04%	-0.09%
Return on Equity Ratio	Net profit after tax/Average Total Share holders equity	21.04%	3.37%	-0.44%	-0.09%	-0.14%
Basic Earnings Per Share (EPS)	Net profit after tax/Ordinary shares outstanding	3.19	10.80	(1.37)	(0.28)	(0.30)
EBITDA Margin	EBITDA=(EBIT+ Depreciation + Amortization)/Total Revenue	23.30%	35.52%	-	-	-
Coverage Ratio:						
Debt to Assets Ratio	Total debt/Total Assets	0.67	0.69	0.68	0.63	0.62
Debt to Equity Ratio	Total debt/Total equity	2.85	3.68	2.28	1.72	1.63
Times Interest Earned Ratio	Operating Profit/Financial Expenses	1.52	1.14	(0.66)	(5.25)	(2.50)
Debt Service Coverage Ratio	Debt Service Coverage Ratio= (Operating Profit/Long Term & Short Term Loan)	0.10	0.06	-	-	-
Cash Flow:						
Net Operating Cash Flow per Share	Net Operating Cash Flow/Total number of Share	1.34	(1.09)	(0.96)	(0.04)	(0.01)
NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	0.42	(0.10)	(0.71)	(0.14)	(0.03)

Place: Dhaka

Date: 12 Oct 2022

Sd/-
G. Kibria & Co.
Chartered Accountants

Ratio Calculation											
Particulars	Formula	For the Year ended									
		30-Jun-22	Ratio	30-Jun-21	Ratio	30-Jun-20	Ratio	30-Jun-19	Ratio	30-Jun-18	Ratio
		Calculation		Calculation		Calculation		Calculation		Calculation	
Liquidity Ratios: (Times)											
Current Ratio	Current assets/Current liabilities	860,168,215	0.95	572,911,550	0.90	63,761,521	0.33	2,135,211	30.86	479,572	23.95
		902,803,356		638,141,606		191,508,287		69,200		20,024	
Quick Ratio	(Current assets-Inventories)/Current liabilities	526,051,295	0.58	264,545,715	0.41	5,138,961	0.03	2,135,211	30.86	479,572	23.95
		902,803,356		638,141,606		191,508,287		69,200		20,024	
Operating Ratios: (Times)											
Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	1,268,844,877	6.13	435,505,568	7.49	-	-!	-	-	-	-
		206,949,845		58,116,259		-		-		-	
Inventory Turnover Ratio	Cost of Goods Sold /Average inventory	1,102,472,058	3.43	360,255,098	1.96	-	-	-	-	-	-
		321,241,378		183,494,198		29,311,280		-		-	
Asset Turnover Ratio	Net Sales/Average Total Assets	1,268,844,877	0.67	435,505,568	0.32	-	-	-	-	-	-
		1,903,470,481		1,379,892,394		928,160,025		681,969,064		340,521,687	
Profitability Ratios:											
Gross Margin Ratio	Gross profit/Net Sales	166,372,819	13.11%	75,250,470	17.28%	-	-	-	-	-	-
		1,268,844,877		435,505,568		-		-		-	
Operating Profit Ratio	Operating profit/Net Sales	133,516,211	10.52%	72,844,709	16.73%	(680,857)	-	(237,044)	-	(216,734)	-
		1,268,844,877		435,505,568		-		-		-	
Net Profit Ratio	Net profit after tax/Net Sales	103,089,285	8.12%	10,804,591	2.48%	(1,365,176)	-	(282,232)	-	(303,309)	-
		1,268,844,877		435,505,568		-		-		-	
Return on Assets Ratio	Net profit after tax/Average Total assets	103,089,285	5.42%	10,804,591	0.78%	(1,365,176)	-0.15%	(282,232)	-0.04%	(303,309)	-0.09%
		1,903,470,481		1,379,892,394		928,160,025		681,969,064		340,521,687	
Return on Equity Ratio	Net profit after tax/Total Share holders equity	103,089,285	21.04%	10,804,591	3.37%	(1,365,176)	-0.44%	(282,232)	-0.09%	(303,309)	-0.14%
		490,024,297		320,435,012		309,630,421		298,267,597		209,478,559	
Earnings Per Share (EPS)	Net profit after tax/Total Number of Share	103,089,285	3.19	10,804,591	10.80	(1,365,176)	(1.37)	(282,232)	(0.28)	(303,309)	(0.30)
		32,308,570		1,000,000		1,000,000		1,000,000		1,000,000	
EBITDA Margin	EBITDA=(EBIT+Depreciation+Amortization)/Total Revenue	295,671,622	23.30%	154,708,723	35.52%	(637,357)	-	(237,044)	-	(216,665)	-
		1,268,844,877		435,505,568		-		-		-	
Coverage Ratio:											
Debt to Assets Ratio	Total debt/Total Assets	1,394,628,168	0.67	1,178,319,743	0.69	705,335,863	0.68	513,801,938	0.63	342,300,809	0.62
		2,091,337,488		1,715,603,473		1,044,181,315		812,138,735		551,799,392	
Debt to Equity Ratio	Total debt/Total equity	1,394,628,168	2.85	1,178,319,743	3.68	705,335,863	2.28	513,801,938	1.72	342,300,809	1.63
		490,024,297		320,435,012		309,630,421		298,267,597		209,478,559	
Times Interest Earned Ratio	Operating Profit/Financial Expenses	133,516,211	1.52	72,844,709	1.14	(680,857)	(0.66)	(237,044)	- 5.25	(216,734)	- 2.50
		87,928,289		64,166,082		1,024,452		45,188		86,620	
Debt Service Coverage Ratio	Debt Service Coverage Ratio= (Operating Profit/Long Term & Short Term Loan+lease)	133,516,211	0.10	72,844,709	0.06	(680,857)	(0.00)	(237,044)	(0.00)	(216,734)	(0.00)
		1,394,628,168		1,178,319,743		704,933,599		513,801,938		342,300,809	
Cash Flow:											
Net Operating Cash Flow per Share (considering share money deposit)	Net Operating Cash Flow/Total number of Share	50,878,709	1.34	(34,138,143)	(1.09)	(30,031,084)	(0.96)	(1,187,868)	(0.04)	(216,665)	(0.01)
		37,847,200		31,197,200		31,197,200		29,924,400		21,017,273	
NOCFPS to EPS Ratio	Net Operating Cash Flow per Share/EPS	1.34	0.42	(1.09)	(0.10)	(0.96)	(0.71)	(0.04)	(0.14)	(0.01)	(0.03)
		3.19		10.80		(1.37)		(0.28)		(0.30)	

Comparison with the industry average ratios of same periods:

* Due to unavailability of market data & mismatch of accounting period industry average for June 30, 2022 is not comparable.

Comparison with the industry average ratios of same periods:

Particulars	30-06-21		Remark /Explanation
	MKFPLC	Industry Avg. *	
Liquidity Ratios: (Times)			
Current Ratio	0.90	2.04	MKFPLC's Current ratio is satisfactory.
Quick Ratio	0.41	0.92	MKFPLC's Current ratio is satisfactory.
Operating Ratios: (Times)			
Accounts Receivable Turnover Ratio	7.49	21.28	MKFPLC's Ratio is better than the average industry.
Inventory Turnover Ratio	1.96	1.70	MKFPLC's ratio is satisfactory.
Asset Turnover Ratio	0.32	0.69	MKFPLC's Ratio is better than the average industry.
Profitability Ratios:			
Gross Margin Ratio	17.28%	29.59%	MKFPLC's ratio is satisfactory.
Operating Income Ratio	16.73%	7.02%	MKFPLC's Ratio is better than the average industry.
Net Profit Ratio	2.48%	5.20%	MKFPLC's ratio is satisfactory.
Return on Assets Ratio	0.78%	2.68%	MKFPLC's ratio is satisfactory.
Return on Equity Ratio	3.37%	4.12%	MKFPLC's ratio is satisfactory.
Basic Earnings Per Share (EPS)	10.80	1.58	MKFPLC's Ratio is better than the average industry.
EBITDA Margin	35.52%	10.62%	MKFPLC's ratio is satisfactory.
Coverage Ratio:			
Debt to Assets Ratio	0.69	0.48	MKFPLC's ratio is satisfactory.
Debt to Equity Ratio	3.68	2.01	MKFPLC's Ratio is better than the average industry.
Times Interest Earned Ratio	1.14	8.64	MKFPLC's ratio is satisfactory.
Debt Service Coverage Ratio	0.06	0.39	MKFPLC's ratio is satisfactory.
Cash Flow:			
Net Operating Cash Flow per Share	(1.09)	62.18	MKFPLC's ratio is satisfactory. As a first year of operation
Net Operating Cash Flow per Share/EPS	(0.10)	1.64	MKFPLC's ratio is satisfactory. As a first year of operation

* The Industry average ratio is calculated through using the ratio of Bata Shoe Company (Bangladesh) Limited for the year ended 31 December 2021, Legacy Footwear Ltd., Apex Footwear Ltd., Fortune Shoes Ltd., for the year ended 30 June 2021.

Comparison with the industry average ratios of same periods:

Particulars	30-06-20		Remark /Explanation
	MKF PLC	Industry Avg. *	
Liquidity Ratios: (Times)			
Current Ratio	0.33	2.30	The company was not in operation
Quick Ratio	0.03	0.35	The company was not in operation
Operating Ratios: (Times)			
Accounts Receivable Turnover Ratio	0.00	4.61	The company was not in operation
Inventory Turnover Ratio	0.00	1.34	The company was not in operation
Asset Turnover Ratio	0.00	0.54	The company was not in operation
Profitability Ratios:			
Gross Margin Ratio	0.00	17.65%	The company was not in operation
Operating Income Ratio	0.00	-21.80%	The company was not in operation
Net Profit Ratio	0.00	-23.78%	The company was not in operation
Return on Assets Ratio	-0.15%	-7.72%	The company was not in operation
Return on Equity Ratio	-0.44%	-19.69%	The company was not in operation
Basic Earnings Per Share (EPS)	(1.37)	(24.45)	The company was not in operation
EBITDA Margin	0.00	-18.87%	The company was not in operation
Coverage Ratio:			
Debt to Assets Ratio	0.68	0.47	The company was not in operation
Debt to Equity Ratio	2.28	13.44	The company was not in operation
Times Interest Earned Ratio	(0.66)	4.62	The company was not in operation
Debt Service Coverage Ratio	0.00	0.05	The company was not in operation
Cash Flow:			
Net Operating Cash Flow per Share	(0.96)	38.46	The company was not in operation
Net Operating Cash Flow per Share/EPS	(0.71)	6.30	The company was not in operation

* The Industry average ratio is calculated through using the ratio of Bata Shoe Company (Bangladesh) Limited for the year ended 31 December 2020, Legacy Footwear Ltd, Apex Footwear Ltd., Fortune Shoes Ltd., for the year ended 30 June 2020.

Comparison with the industry average ratios of same periods:

Particulars	30-06-19		Remark /Explanation
	MKF PLC	Industry Avg.*	
Liquidity Ratios: (Times)			
Current Ratio	30.86	3.23	The company was not in operation
Quick Ratio	30.86	1.72	The company was not in operation
Operating Ratios: (Times)			
Accounts Receivable Turnover Ratio	0.00	4.55	The company was not in operation
Inventory Turnover Ratio	0.00	1.89	The company was not in operation
Asset Turnover Ratio	0.00	0.85	The company was not in operation
Profitability Ratios:			
Gross Margin Ratio	0.00%	29.19%	The company was not in operation
Operating Income Ratio	0.00%	12.92%	The company was not in operation
Net Profit Ratio	0.00%	8.95%	The company was not in operation
Return on Assets Ratio	-0.04%	6.65%	The company was not in operation
Return on Equity Ratio	-0.09%	11.29%	The company was not in operation
Basic Earnings Per Share (EPS)	(0.28)	12.87	The company was not in operation
EBITDA Margin	0.00%	14.27%	The company was not in operation
Coverage Ratio:			
Debt to Assets Ratio	0.63	0.42	The company was not in operation
Debt to Equity Ratio	1.72	1.54	The company was not in operation
Times Interest Earned Ratio	(5.25)	20.51	The company was not in operation
Debt Service Coverage Ratio	-	2.79	The company was not in operation
Cash Flow:			
Net Operating Cash Flow per Share	(0.04)	38.67	The company was not in operation
Net Operating Cash Flow per Share/EPS	(0.14)	2.67	The company was not in operation

* The Industry average ratio is calculated through using the ratio of Bata Shoe Company (Bangladesh) Limited for the year ended 31 December 2019, Legacy Footwear Ltd, Apex Footwear Ltd., Fortune Shoes Ltd., for the year ended 30 June 2019.

Comparison with the industry average ratios of same periods:

Particulars	30-06-18		Remark /Explanation
	MKF PLC	Industry Avg.*	
Liquidity Ratios: (Times)			
Current Ratio	23.95	4.82	The company was not in operation
Quick Ratio	23.95	2.86	The company was not in operation
Operating Ratios: (Times)			
Accounts Receivable Turnover Ratio	0.00	3.57	The company was not in operation
Inventory Turnover Ratio	0.00	1.87	The company was not in operation
Asset Turnover Ratio	0.00	0.85	The company was not in operation
Profitability Ratios:			
Gross Margin Ratio	0.00	25.86%	The company was not in operation
Operating Income Ratio	0.00	9.97%	The company was not in operation
Net Profit Ratio	0.00	6.61%	The company was not in operation
Return on Assets Ratio	-0.09%	7.62%	The company was not in operation
Return on Equity Ratio	-0.14%	12.46%	The company was not in operation
Basic Earnings Per Share (EPS)	(0.30)	22.06	The company was not in operation
EBITDA Margin	0.00%	9.86%	The company was not in operation
Coverage Ratio:			
Debt to Assets Ratio	0.62	0.41	The company was not in operation
Debt to Equity Ratio	1.63	1.55	The company was not in operation
Times Interest Earned Ratio	(2.50)	33.43	The company was not in operation
Debt Service Coverage Ratio	0.00	3.03	The company was not in operation
Cash Flow:			
Net Operating Cash Flow per Share	(0.22)	23.00	The company was not in operation
Net Operating Cash Flow per Share/EPS	(0.71)	2.74	The company was not in operation

* The Industry average ratio is calculated through using the ratio of Bata Shoe Company (Bangladesh) Limited for the year ended 31 December 2018, Legacy Footwear Ltd., Apex Footwear Ltd., Fortune Shoes Ltd., for the year ended 30 June 2018.

(d) The issuer shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer in the prospectus. If the company has been in existence for less than five years, the above-mentioned inclusion and submission will have to be made for the period of existence of the company.

Comparative Income Statements:

Particulars	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
Turnover	1,268,844,877	435,505,568	-	-	-
Cost of goods sold	(1,102,472,058)	(360,255,098)	-	-	-
Gross Profit/(Loss)	166,372,819	75,250,470	-	-	-
Foreign Exchange Gain/(Loss)	(7,922,403)	5,108,965	(37,444)	-	-
Administrative Expenses	(12,887,197)	(4,198,030)	(643,413)	(237,044)	(216,734)
Distribution Expenses	(12,047,008)	(3,316,696)	-	-	-
Operating Profit/ (Loss)	133,516,211	72,844,709	(680,857)	(237,044)	(216,734)
Non-Operating Income	71,276,977	6,371,000	-	-	69
Profit/(Loss) before interest & Tax	204,793,188	79,215,709	(680,857)	(237,044)	(216,665)
Financial Expenses	(87,928,289)	(64,166,082)	(1,024,452)	(45,188)	(86,620)
Profit/(Loss) before WPPF & Tax	116,864,899	15,049,627	(1,705,309)	(282,232)	(303,285)
Workers' Profit Participation Fund (WPPF)	(5,564,995)	-	-	-	-
Profit/(Loss) before Tax	111,299,904	15,049,627	(1,705,309)	(282,232)	(303,285)
Income Tax Expenses:	(8,210,619)	(4,245,036)	340,133	-	(24)
Current Tax Income	(10,605,279)	(2,808,445)	(62,131)	-	(24)
Deferred Tax (Expenses)/Income	2,394,660	(1,436,591)	402,264	-	-
Net Profit/(Loss) after Tax	103,089,285	10,804,591	(1,365,176)	(282,232)	(303,309)
Basic Earnings Per Share (EPS)	3.19	10.80	(1.37)	(0.28)	(0.30)

Comparative Balance Sheet:

Particulars	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19	30-Jun-18
NON-CURRENT ASSETS					
Property, Plant and Equipment	1,219,715,705	931,125,204	98,757,242	97,930,742	97,930,742
Intangible Assets	115,500	-	-	-	-
Capital Work In Progress	-	208,799,379	881,662,552	712,072,782	453,389,078
Right-of-use (ROU) assets	10,143,068	1,572,340	-	-	-
Non-Current Security Deposits	1,195,000	1,195,000	-	-	-
Total Non-Current Assets	1,231,169,273	1,142,691,923	980,419,794	810,003,524	551,319,820
CURRENT ASSETS					
Inventories	334,116,920	308,365,835	58,622,560	-	-
Accounts & Other Receivables	297,667,172	116,232,518	-	-	-
Advance, deposits and prepayments	-	1,312,904	1,195,000	1,000,000	-
Inter-Company Receivable	116,876,000	-	-	-	-
Advance Income Tax	10,814,490	2,870,576	62,131	-	-
Cash and cash equivalent	100,693,633	144,129,717	3,881,830	1,135,211	479,572
Total Current assets	860,168,215	572,911,550	63,761,521	2,135,211	479,572
TOTAL ASSETS	2,091,337,488	1,715,603,473	1,044,181,315	812,138,735	551,799,392
EQUITY & LIABILITIES					
Shareholders' Equity					
Share Capital	378,472,000	10,000,000	10,000,000	10,000,000	10,000,000
Share money deposit	-	301,972,000	301,972,000	289,244,000	200,172,730
Retained earnings	111,552,297	8,463,012	(2,341,579)	(976,403)	(694,171)
Total Shareholder's equity	490,024,297	320,435,012	309,630,421	298,267,597	209,478,559
NON-CURRENT LIABILITIES					
Long Term Loan-Non Current Maturity	693,755,685	755,134,910	543,444,871	513,801,938	342,300,809
Lease liability (non-current portion)	6,114,483	857,618	-	-	-
Deferred Tax Liabilities/(Assets)	(1,360,333)	1,034,327	(402,264)	-	-
Total non-current liabilities	698,509,835	757,026,855	543,042,607	513,801,938	342,300,809
CURRENT LIABILITIES					
Trade and Other Payables	171,369,454	204,212,397	28,820,237	-	-
Term Loan (Current Maturity)	128,283,044	38,057,331	19,030,307	-	-
Lease Liability (current portion)	2,161,888	784,068	-	-	-
Short Term Loan	564,313,068	383,485,816	142,860,685	-	-
Liabilities for Expenses	20,443,473	8,731,394	734,903	69,176	20,000
Provision for WPPF	5,564,995	-	-	-	-
Provision for Tax	10,667,434	2,870,600	62,155	24	24
Total Current Liabilities	902,803,356	638,141,606	191,508,287	69,200	20,024
Total Liabilities	1,601,313,191	1,395,168,461	734,550,894	513,871,138	342,320,833
TOTAL EQUITY & LIABILITIES	2,091,337,488	1,715,603,473	1,044,181,315	812,138,735	551,799,392
NAV per Share	12.95	10.27	9.92	9.97	9.97

OTHERS:

- A. DECLARATIONS REGARDING REGULAR IN HOLDING ANNUAL GENERAL MEETING (AGM) PER RULE 3(1)(b) OF THE BANGLADESH SECURITIES & EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022;**

MANAGEMENT DECLARATION

We, the management of MK Footwear PLC declare that our company is regular in holding of Annual General meeting (AGM).

Sd/-

Noor Mohammed

Managing Director

MK Footwear PLC

Date: October 23, 2022

- B. DECLARATIONS REGARDING NO WAY CONNECTED WITH THE ISSUER AND DOES NOT HOLD ANY OF ITS SECURITIES PER RULE 8(3) OF THE BANGLADESH SECURITIES & EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022;**

DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE ISSUE

MANAGER

This is to declare that Alpha Capital Management Limited, Manager to the Issue for upcoming QIO of MK Footwear PLC; is in no way connected with the issuer and does not hold any of its securities.

Sd/-

Noor Mohammed

Managing Director

MK Footwear PLC

Date: October 23, 2022

- C. DECLARATIONS REGARDING NO WAY CONNECTED WITH THE ISSUER AND DOES NOT HOLD ANY OF ITS SECURITIES PER RULE 8(3) OF THE BANGLADESH SECURITIES & EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022;**

**DECLARATION ABOUT NOT HOLDING SECURITIES OF THE ISSUER BY THE ISSUE
MANAGER**

This is to declare that Alpha Capital Management Limited, Manager to the Issue for upcoming QIO of MK Footwear PLC; is in no way connected with the issuer and does not hold any of its securities.

Sd/-

Noor Ahamed FCA

Managing Director & CEO

Alpha Capital Management Ltd.

Date: October 23, 2022

- D. DECLARATIONS REGARDING MATERIAL CHANGE PER RULE 3(1)(e) OF THE BANGLADESH SECURITIES & EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022;**

DECLARATION REGARDING MATERIAL CHANGE

This is to declare that MK Footwear PLC has not made any material change including raising of paid-up capital after the date of audited financial statements as included in the prospectus.

Sd/-

Noor Mohammed

Managing Director

MK Footwear PLC

Date: October 23, 2022

E. DECLARATIONS REGARDING MATERIAL CHANGE PER RULE 3(1) (f) OF THE BANGLADESH SECURITIES & EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022;

MANAGEMENT DECLARATION

We, the management of MK Footwear PLC declare that our company has prepared its financial statements following the international financial reporting standards (IFRS) and audited the same following the international standards on auditing (ISA) as per the provisions of the Financial Reporting Act, 2015 (Act No. 16 of 2015) as well as following the provisions of the Companies Act, 1994 (Act No. XVIII of 1994) and other applicable legal requirements.

Sd/-

Noor Mohammed

Managing Director

MK Footwear PLC

Date: October 23, 2022

F. DECLARATIONS REGARDING MATERIAL CHANGE PER RULE 3(1) (g) OF THE BANGLADESH SECURITIES & EXCHANGE COMMISSION (QUALIFIED INVESTOR OFFER BY SMALL CAPITAL COMPANY) RULES, 2022;

MANAGEMENT DECLARATION

We, the management of MK Footwear PLC declared that the company has complied with the Bangladesh Securities & Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022, while preparing the prospectus.

Sd/-

Noor Mohammed

Managing Director

MK Footwear PLC

Date: October 23, 2022

Auditor's Additional Disclosures

Additional Disclosure Regarding Regular Holding of AGM Of The Issuer.

BSEC Query No 10: Auditor's certificate regarding holding AGM of the issuer is required to submit.

Auditor's Response:

Certificate Regarding Regular Holding of AGM of MK Footwear PLC

This is to certify that, the MK Footwear PLC (Reg. No. C-126912, Reg. Date: 12-Nov-2015, Address: Nayonpur Bazar, Chalkpara, Medical More, Mawna-Dulivita Rd, Mawna Union 1740) is regular in holding of Annual General meeting (AGM) since incorporation.

Particulars of AGM held are as follows:

SL.	Year End	Date of AGM
1	June 30, 2016	January 31, 2017
2	June 30, 2017	January 31, 2018
3	June 30, 2018	January 31, 2019
4	June 30, 2019	January 30, 2020
5	June 30, 2020	March 31, 2021
6	June 30, 2021	March 28, 2022

Place: Dhaka
Date: 04 December, 2022

Sd/-
G. Kibria & Co.
Chartered Accountants

Additional Disclosures In The Audited Financial Statements For The Year Ended June 30, 2022.

BSEC Query No 12: Auditors are required to disclose detailed breakup for payment to suppliers amounting Tk. 1,024,350,623/- as shown in cash flow statements for the year ended June 30, 2022 is required to submit.

Auditor's Response:

MK FOOTWEAR PLC	
<u>Recompilation of Payment to Suppliers, Employees & Other Expenses</u>	
For the year ended 30th June, 2022	
(A) Payment to Suppliers:	
For Import:	
Import Payment after adjusting advance for L/c	764,929,695
CD, C&F & Others	10,066,458
Total for Import	<u>774,996,153</u>
For Local after adjusting advance against purchase	7,975,297
Total for Payment to Suppliers	<u>782,971,450</u>
(B) Payment to Employees including Directors Remuneration:	
Opening Liability for Salary & Wages	7,048,145
Add: During the year	
Manufacturing Overheads	184,534,205
Administrative Expenses	7,727,350
Distribution Expenses	1,856,400
	<u>194,117,955</u>
	201,166,100
Less: Closing Liability for Salary & Wages	<u>15,859,748</u>
Total Payment to Employees	<u>185,306,352</u>
(C) Payment For Expenses:	
Opening Liability for Expenses	1,683,249
Add:	
Manufacturing Overheads excluding Depreciation & Amortization	43,825,957
Administrative Expenses excluding Depreciation & Amortization	3,186,641
Distribution Expenses	10,190,608
Increase/(Decrease) in Spare Parts	1,770,091
	<u>58,973,297</u>
	60,656,546
Less: Closing Liability for Expenses	<u>4,583,725</u>
Total Payment for Expenses	<u>56,072,821</u>
Cash Paid to Suppliers, employees & others expenses (A+B+C)	<u>1,024,350,623</u>

Place: Dhaka
Date: 04 December, 2022

Sd/-
G. Kibria & Co.
Chartered Accountants

DSE Query No 18: As per Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Company) Rules, 2022 the financial statements must be prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 2020. But in the draft prospectus the audit opinion (page 86) states that the financial statements were prepared and audited in adherence to the provisions of the Securities and Exchange Rules, 1987. The company is requested to justify their position in this regard.

Auditor's Response:

To Whom It May Concern

Refer to our Report on the Audit of the Financial Statements for the year ended June 30, 2022 dated October 12, 2022 of MK Footwear PLC, "Opinion" shall be read as follows:

Opinion

We have audited the financial statements of **MK FOOTWEAR PLC** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, and Statement of profit or loss & other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Place: Dhaka
Date: 04 December, 2022

Sd/-
G. Kibria & Co.
Chartered Accountants