

Private & Confidential

CERTIFICATE  
ON  
STATUS REPORT ON UTILIZATION OF PROCEEDS FROM  
QUALIFIED INVESTOR OFFER (QIO)  
OF  
MK FOOTWEAR PLC  
FOR THE PERIOD ENDED ON SEPTEMBER 30, 2023



**Habib Sarwar Bhuiyan & Co.**  
Chartered Accountants



# Habib Sarwar Bhuiyan & Co.

## Chartered Accountants

**Certificate on**  
**Status Report on Utilization of Proceeds from Qualified Investor Offer (QIO) of**  
**MK Footwear PLC**  
**For the period ended on September 30, 2023**

We have been appointed by the management of MK Footwear PLC (the "Company") to certify whether the Company has complied with the conditions of Qualified Investor Offer (QIO) in relation to the utilization of proceeds from Qualified Investor Offer as required by BSEC vide its consent letter (ref: BSEC/CI/QIO/SC-37/2022/1251 dated May 03, 2023) issued for QIO under Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules 2022 (The Ordinance).

### **The Company's Responsibilities**

The Company management is responsible for utilizing the proceeds from QIO and preparation of Status Report on utilization of Proceeds from Qualified Investor Offer in accordance with the conditions of QIO consent letter issued by BSEC.

### **Our Responsibilities**

Our responsibility is to examine all the relevant documents in connection with the utilization of proceeds from QIO with reference to the Terms of Reference formulated by BSEC and certify whether the proceeds have been utilized and the Status Report have been prepared in accordance with the conditions of QIO consent letter.

### **We report that:**

We have examined relevant documents, obtained information and explanations which to the best of our knowledge and belief were necessary for the purpose of verification and certification of the Status Report. As per Terms of Reference of audit of Status Report, we certify that:

- a) The company has utilized an amount of Tk. 9,76,80,100 till September 30, 2023 out of total QIO proceeds of Tk. 10,00,00,000 for the purpose as specified in the prospectus except for: 2 Sets of Auto Ribbon Cutting Machine, TPR injection machine (20 seat for loan boot), Dryer Mixer, Material Mixer (vertical) Heat setting grab top table machine (10 seat), Full-Automatic Foam Eva Injection Molding Machine & Material Dryer and 1 set of Crusher, Mold Cooling Tower & Pump, Auto Printing Machine. As per condition no. 26 imposed under section-2CC of the said Ordinance as mentioned in the consent letter, the management informed us that the valid grounds for procuring the said machineries are that they are of superior quality than those in the prospectus, for which approval of the public shareholders, other than sponsors and directors, is yet to be obtained and not intimated to BSEC as yet. Balance of QIO proceeds amounting to Tk. 23,19,900 remain unutilized on the reporting date.
- b) As per the condition no. 27 imposed under section-2CC of the said Ordinance as mentioned in the consent letter, this status report on utilization of Public Offering proceeds could not be submitted within 15 days of closing of the quarter due to reasons mentioned in point (a) for which approval of the shareholders, is yet to be obtained and not intimated to BSEC as yet.
- c) Unutilized amount of Tk. 23,19,900 is kept in Bank Account which is lying with Brac Bank Limited, Bijoy Nagar Branch, Account No # 2053643410001.

**Habib Sarwar Bhuiyan & Co.**  
**Chartered Accountants**  
Registration no: CAF-001-010  
Signed By:

**Md. Habibullah FCA**  
Managing Partner  
Enrolment No.: 0411

Dhaka,  
Dated: December 10, 2023



**Habib Sarwar Bhuiyan & Co.**  
**Chartered Accountants**

**Report on the Utilization of QIO Proceeds**  
For the Period from July, 2023 to September, 2023

Name of the Company : MK Footwear PLC  
Amount (BDT) of Capital Raised Through IPO : 10.00 Crore  
Date of Close of Subscription : June 15, 2023  
Proceeds Receiving Date : June 21, 2023  
Last Date of Utilization of Fund as per prospectus : Within 12 month of receiving the IPO proceeds

(Amount in BDT)

SL	Purpose Mentioned in the Prospectus	Time line as per prospectus	Amount as per prospectus	Status of utilization			Remarks
				Total Utilization in this Period Amount	Utilized %	Total Un -Utilized Amount	
a)	Plant and Machineries	Within 12 month of receiving the IPO proceeds	9,73,44,647	9,53,00,000	97.90%	20,44,647	2.10%
b)	QIO Expenses	Within 12 month of receiving the IPO proceeds	26,55,353	23,80,100	89.63%	2,75,253	10.37%
<b>Total</b>			<b>10,00,00,000</b>	<b>9,76,80,100</b>	<b>97.68%</b>	<b>23,19,900</b>	<b>2.32%</b>

*Mr. M. Mohammed*  
Chairman  
MK Footwear PLC

*[Signature]*  
Managing Director  
MK Footwear PLC

*HC Akon*

Chief Financial Officer  
MK Footwear PLC  
Habib Sarwar Bhuiyan & Co.  
Chartered Accountants  
Registration no: CAF-001-010  
Signed By:



*[Signature]*  
Md. Habiburrah FCA  
Managing Partner  
Enrollment No.: 0411

Dhaka,  
Dated: December 10, 2023

**Note:**

- During this period, we declare that TK. 9,76,80,100 IPO fund has been utilized according to our prospectus.
- The company had opened a Letter of Credit (L/C No-000002632301010) under Pro forma invoice No-2023001 on July 07, 2023 with Rupali Bank Limited, Dilkusha C/A branch, Ac no.# 0018020009691 of total L/C value of USD 8,54,150 for importing automatic machinery from IVY-ATLAS INTERNATIONAL LIMITED, Flat E, 2/F, Rail to Mansion, 183 King's Road, North Point, Hongkong, among which USD 8,54,150 has been paid as margin deposit from the IPO Fund. The machineries arrived on Chittagong Port on 07.09.2023 and 20.09.2023 and subsequently transported to the factory premises on 14.09.2023 and 01.10.2023.
- Statutory audit for the FY 2022-2023 has been conducted by G. Kibria & Co., Chartered Accountants.



**Habib Sarwar Bhuiyan & Co.**  
Chartered Accountants

Annexure "A"

**Certificate on  
Status Report of Utilization of Proceeds from Qualified Investor Offer (QIO) of  
MK Footwear PLC  
For the period ended 30 September 2023**

**Bank Balance as on 30<sup>th</sup> September was made up as follows:**

Account No#2053643410001 in Brac Bank Limited , Bijoy Nagar Branch  
Total Balance in Bank Account for QIO Proceeds

Amount  
Taka

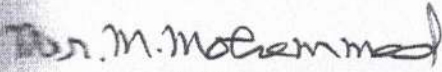
10,00,00,000  
10,00,00,000

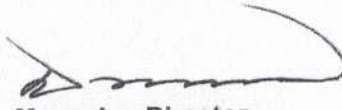
**Reconciliation between unutilized balance and bank balance:**


Balance (Account No#2053643410001 in Brac Bank Limited , Bijoy Nagar Branch)  
Total Utilization in this Period Amount  
Total Un -Utilized Amount  
Interest credited  
Bank charge and others  
Balance as per Bank statement (Account No#2053643410001 in Brac Bank Limited , Bijoy Nagar Branch)

Amount  
Taka

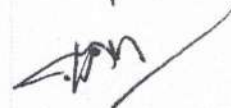
10,00,00,000  
(9,76,80,100)  
23,19,900  
66,666  
(11,077)  
23,75,489

  
Chairman  
MK Footwear PLC

  
Managing Director  
MK Footwear PLC

  
Chief Financial Officer  
MK Footwear PLC

**Habib Sarwar Bhuiyan & Co.**  
Chartered Accountants  
Registration no: CAF-001-010  
Signed By:

  
Md. Habibullah FCA  
Managing Partner  
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Dhaka,  
Dated: December 10, 2023

