

Bangladesh Securities and Exchange Commission
Corporate Finance Division
Capital Restructuring Department
Bond and Debt Issue Section
www.sec.gov.bd

BSEC/CFD/CRD/DS-242/2023/96

April 02, 2024

Managing Director

MK Footwear PLC
Nayonpur Bazar, Chalkpara, Medical More, Mawna-Dulivita road,
Mawna Union-1470, Gazipur
Dhaka

Subject: Consent for issuance of Non-Convertible Fully Redeemable Unsecured Bond amounting to BDT 550,000,000 by MK Footwear PLC through private offer.

Dear Sir,

This refers to your application ref: no. MKFPLC/Bond/01/2023 dated November 23, 2023 and further correspondences regarding issuance of Non-Convertible Fully Redeemable Unsecured Bond amounting to BDT 550,000,000 by MK Footwear PLC through private offer.

The undersigned is directed to convey the Bangladesh Securities and Exchange Commission's consent under the provisions of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 to MK Footwear PLC through issuance of Non-Convertible Fully Redeemable Unsecured Bond amounting to BDT 550,000,000 by MK Footwear PLC through private offer.

The Commission does not take any responsibility, in giving this consent, for the issue of securities through private offer and the financial soundness of the issuer company, or for the correctness of any of the statements made or opinion expressed thereon. Such responsibility lies with the Issuer, its Directors, Chief Executive Officer/Managing Director, Chief Financial Officer, Company Secretary, Trustee and Auditor.

The consent has been accorded subject to the condition that the Company shall comply with the relevant laws and regulatory requirements, and also shall adhere to the following conditions imposed under Section-2CC of the Securities and Exchange Ordinance, 1969:

1. The issuer shall ensure the compliance of Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021;
2. The proceeds or fund of the bond shall be placed in an escrow or specified bank account, and utilization of such proceeds or fund shall also be made from the escrow or specified bank account;
3. The issuer shall submit the Trustee Registration Certificate before opening the subscription of the said bond;
4. The director's shares shall be liened to the trustee as collateral against bond as an additional credit enhancement for the residual amount of the bond excluding the coupon payment of respective

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years. Furthermore, the trustee shall ensure the availability of shares of the directors in unlocked condition at the end of each year started from 4th year (48 month) up to the full redemption of the said bond;

5. The company shall submit a compliance report to the Commission along with details of the unlocked shares regarding each coupon payment within 07 (Seven) working days after the expiration of the semi-annual coupon payment and partial redemption of aforesaid bond;
6. The report on utilization of proceeds as well as implementation status shall be submitted to the Commission, the trustee, the lead arranger(s) and to the stock exchange(s) in which its securities are listed, on half-yearly basis within 10 (ten) days of close of the half year, till full utilization of proceeds;
7. The issuer shall determine its coupon rate before issuance of Information Memorandum (IM) and shall submit the IM to the Commission.
8. The issuer shall not change or modify the submitted Approved Draft Information Memorandum (IM), Trust Deed & Subscription Agreement after consent to issue the debt securities without prior approval of the Commission in this regard;
9. The issuer, the arranger and the trustee shall publish the approved Information Memorandum (IM) in their own official websites, within 03 (Three) working days upon receipt of this consent of the Commission to the issuance of the bond;
Provided further that a notice regarding the publication of Information Memorandum in the websites mentioning web-addresses shall be circulated in the national daily newspaper at least one in Bangla and another in English by the Company;
10. Approved Information Memorandum (IM) shall be made available in the websites of the Company or the lead arranger or the exchange(s), as applicable, till the closure of the subscription list;
11. The issuer shall disseminate the receipt of the Commission's approval along with the purpose of the issue, amount and price of the bond etc. as price sensitive information, as prescribed by the Commission;
12. The Trustee shall place the IM and the Deed of Trust in electronic form on the websites of the trustee and also shall make them available in the aforementioned websites up to the maturity of the securities;
13. After publication of Information Memorandum in the websites, subscription shall be received through designated Banker during subscription period not less than 30 (thirty) days and not more than 180 (one hundred eighty) days;
14. The issue is rated by a credit rating company and its Periodical Surveillance Rating shall be done by the said rating company in line with the provisions of the Credit Rating Companies Rules, 1996 up to the full and final redemption or conversion of the issued securities;
15. The issue shall not be rated below the minimum investment grade of triple 'BBB' or equivalent rating in the long term and "ST-3" or equivalent rating in the short term;

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16. The issuer shall execute the Deed of Trust as approved by the Commission in favor of the Trustee and register the same under the Registration Act, 1908 (XVI of 1908) and shall submit a copy of the registered trust deed attested by the Chief Executive Officers of the company and the trustee to the Commission before opening of subscription;
17. The submitted financial data and other information provided by the company is considered to be correct in all material perspective; if any irregularities detected by further scrutiny by the Commission, the management of the company will be held responsible as per applicable securities laws;
18. Auditors' report along with Audited Financial Statements of the issuer made up to a date not older than 270 (two hundred seventy) days from the date of issue of the Information Memorandum (IM) and shall be incorporated in IM before private offer.
19. This consent for issuance of debt securities shall remain valid for 06 (six) months from the date of consent failing which the permission will stand cancelled to the extent of unsubscribed portion;
20. The issuer shall issue the aforesaid debt securities in dematerialized form and apply to the Stock Exchange(s) for listing in the Alternative Trading Board (ATB) preferably from the date of availing ATB facilities under Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard;
21. The issuer shall submit a status report, containing the name and address of the bondholders along with number of bonds purchased and bank statements for the issue, to the Commission, within 10 (ten) days of closing of the subscription list or issue of the securities or expiry of the period mentioned above, whichever comes earlier;
22. The issuer shall submit List of Subscribers and Bank Statement for the amount deposit and number of securities to be issued to the Commission upon completion of the subscription;
23. All transactions excluding petty cash expenditures shall be conducted through the Company's Bank Accounts;
24. Financial Statements shall be prepared in accordance with International Accounting Standards (IAS) and Audit thereof shall be conducted in accordance with the International Standards on Auditing (ISA), as adopted in Bangladesh. The financial statements shall be audited within 120 days from the date of ending of the financial year;
25. Annual General Meeting (AGM) of the company shall be held in each year of the Gregorian Calendar;
26. A copy of audited financial statements and a copy of annual report and the minutes of Annual General Meeting shall be submitted to the Commission within fourteen days (14) of the completion of the audit or, as the case may be, holding of the Annual General Meeting;
27. The issuer/company shall inform the Commission along with supporting documents and evidence about any change of its registered address, directors, managing director, business or any other material change that affects the affairs of the company;


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28. Any further issue of capital shall require Commission's prior consent;
29. If there is any FDI or External Debt, the issuer shall report it to Bangladesh Bank; and
30. The Commission may impose conditions/restrictions from time to time as and when required.

You are, therefore, requested to deposit the consent fee in advance @ 0.10% on the total face value of securities to be issued through a bank draft or payment order issued in favor of the "Bangladesh Securities and Exchange Commission" within 5 (five) working days from the date of issuance of this letter.

If the issuer/company fails to comply with any of the conditions as stated above, the Company would be penalized under penal provisions the Securities and Exchange Ordinance, 1969 or any other related securities laws.

By the order of Bangladesh Securities and Exchange Commission,


02.04.2024

Asmaul Husna

Assistant Director (CRD)

Email: asmaul@sec.gov.bd

Copy to:

1. Registrar of Joint Stock Companies and Firms
2. Managing Director, Dhaka Stock Exchange Limited
3. Managing Director, Chittagong Stock Exchange Limited
4. Managing Director, CDBL
5. Managing Director, CCBL
6. Managing Director & CEO, Community Bank Investment Limited. (Trustee to the Issue)
7. Head of all Departments, BSEC
8. Office of the Chairman, BSEC
9. Office of the Commissioners, BSEC.