

“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.”

PUBLIC ISSUE OF 22,000,000 ORDINARY SHARES

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PROSPECTUS

Name of Issuer:



Fortune Shoes Limited

Name of Issue Managers:


Imperial Capital Limited

&


Prime Bank Investment Limited

(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		
FORTUNE SHOES LIMITED Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212.	Md. Mohiuddin Mollah Chief Financial Officer	Tel: +880-02-9851132, Fax: +880-02-9851154 E-mail: cfo@fortuneshoesltd.com/ cfo.fsl@fortuneshoes.com Web: www.fortuneshoesltd.com/ www.fortuneshoes.com
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AUDITOR		
MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4 th Floor) 34, Topkhana Road Dhaka-1000.	Md. Abul Kalam Manager	Tel: +88-02-7171316, +88-02-9553143 Fax: +88-02-9571005 E-mail: mahfelcofa@yahoo.com Web: www.mahfelhuq.com

- (ii) A person interested to get a prospectus may obtain from the issuer, and the issue managers.

- (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 (PUBLIC ISSUE) RULES, 2015. 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), VALUER AND/OR CREDIT RATING COMPANY."

(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 Tk. 10.00 (Ten) and the issue price is Tk. 10.00(Ten) each i.e. the face value. The issue price has been determined and justified by the issuer and the issue managers as stated under the paragraph on "justification of issue price" 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 taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. 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) 128-134"

(vii) 'Fortune Shoes Limited's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this prospectus contains all material information with regard to the issuer and the issue, that the information contained in the prospectus are 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) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms;

The Prospectus and abridged version prospectus in hard and soft forms of Fortune Shoes Limited shall be obtained from the following addresses:

NAME & ADDRESS	CONTACT PERSON	TELEPHONE & FAX NUMBER, E-MAIL, WEB ADDRESS
ISSUER		
FORTUNE SHOES LIMITED Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212.	Md. Mohiuddin Mollah Chief Financial Officer	Tel: +880-02-9851132, Fax: +880-02-9851154 E-mail: cfo@fortuneshoesltd.com/ cfo.fsl@fortuneshoes.com Web: www.fortuneshoesltd.com/ www.fortuneshoes.com

ISSUE MANAGERS		
IMPERIAL CAPITAL LIMITED Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000	Md. Salauddin Sikder FCMA CEO & Managing Director	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102) E-mail: salauddin_sikder@yahoo.com Web: www.imperialcapital.org
PRIME BANK INVESTMENT LIMITED Peoples Insurance Bhaban (11 th Floor), 36 Dilkusha C/A, Dhaka-1000.	Khandoker Raihan Ali, ACA CFO & Company Secretary	Tel: +88-02-9555674, +88-02-9557688 Fax: +88-02-9559257 E-mail: ka012901@primebank.com.bd Web: www.pbil.com.bd

STOCK EXCHANGES		
DHAKA STOCK EXCHANGE LIMITED DSE LIBRARY, 9/F Motijheel C/A, Dhaka-1000.	Afzalur Rahaman Manager	Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 E-mail: reasearch@dsebd.org Web: www.dsebd.org
CHITTAGONG STOCK EXCHANGE LIMITED CSE LIBRARY, CSE Building, 1080, Sheikh Mujib Road Agrabad, Chittagong- 4100.	Mohammed Javed Sarwar Assistant Manager	Tel: 031-714632-3 Fax: 031-714101 E-mail: javed@cse.com.bd Web: www.cse.com.bd

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) Names and dates of the newspapers where abridged version of prospectus was published:

Sl. No.	Name of the Newspaper	Date of Publication
1	The Daily Financial Express	July 21, 2016
2	The Daily Independence	July 21, 2016
3	The Daily Banikbarta	July 21, 2016
4	The Daily Samakal	July 21, 2016

(iii) Definitions and Acronyms/Elaborations:

<i>A</i>	
“Articles” or “Articles of Association” or “AoA”	The Articles of Association of Fortune Shoes Limited, as amended
“Board” or “Board of Directors” or “our Board”	The Board of Directors of Fortune Shoes Limited, as duly constituted from time to time
“Memorandum” or “Memorandum of Association” or “MoA”	The Memorandum of Association of Fortune Shoes Limited, as amended
“Our Company”	Fortune Shoes Limited, a public limited company incorporated under the Companies Act
AGM	Annual General Meeting
Allotment	Letter of Allotment of shares
<i>B</i>	
BAS	Bangladesh Accounting Standards
BB	Bangladesh Bank
BDT	Bangladeshi Taka
BFRS	Bangladesh Financial Reporting Standards
BO A/C	Beneficiary Owner's Account
BOI	Board of Investment
BSEC	Bangladesh Securities and Exchange Commission
BSS	Bachelor of Social Studies
<i>C</i>	
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 Limited
<i>D</i>	
DSE	Dhaka Stock Exchange Limited
<i>E</i>	
EMS	Express Mail Service
EPB	Export Promotion Bureau
EPS	Earnings Per Share
EU	European Union
Exchanges	Stock Exchanges
<i>F</i>	
FC A/C	Foreign Currency Account
FOB	Free on Board
FSL	Fortune Shoes Limited
FY	Fiscal Year
<i>G</i>	
GBP	Great Britain Pound
GOB	Government of Bangladesh
<i>I</i>	
ICL	Imperial Capital Limited
IPO	Initial Public Offering
Issue	Public Issue of shares

Issue Managers	Imperial Capital Limited & Prime Bank Investment Limited
Issuer	Fortune Shoes Limited
<i>L</i>	
L/C	Letter of Credit
LFMEAB	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh
<i>M</i>	
M.E	Marine Engineer
MBS	Master of Business Studies
<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 FSL
Our Company	Fortune Shoes Limited
<i>P</i>	
PBIL	Prime Bank Investment Limited
PE	Price to Earnings
<i>R</i>	
RJSC	Registrar of Joint Stock Companies and Firms
<i>S</i>	
Securities	Share of Fortune Shoes Limited
Securities Market	The Share Market of Bangladesh
Sponsors	The sponsor shareholders of Fortune Shoes Limited
Stock Holder	Share Holder
Subscription	Application Money
<i>T</i>	
The Company/Issuer	Fortune Shoes Limited
TT	Telephonic Transfer
<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

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CHAPTER (I): EXECUTIVE SUMMARY**a) About the industry:**

Bangladesh export sector is heavily inclined to RMG. Now several new sectors have been adding to export over the last decade. Footwear is one of the sectors that had tremendous potential to significantly boost up country's export while diversifying the country's economy as well. In July–April, 2013-2014 the export performance for footwear was USD 306.24 million. In contrast to July–April, 2013-2014, export performance in July–April 2014-2015 was USD 383.72 million.

(Source: Annual Report 2014 of Leather goods & Footwear Manufactures & Exporters Association of Bangladesh).

So there was 25.30% growth from year 2013-2014 to 2014-2015, which is significant for the footwear Industry.

b) About the Issuer:

Incorporation	As Private Limited Company	March 14, 2010 & Reg. no. CH- 7590/10
Converted Public Limited Company	January 14, 2015	
Commencement of Commercial Operation	September 07, 2011	
Factory Location	Plot No. 66-68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh.	
Head Office	Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212.	
Nature of Business	Fortune Shoes Limited (FSL) is a 100% export oriented company engaged in shoes manufacturers in Bangladesh. The principal activities of the Company are to carry on the business of manufacturing and exporting of all kind of leather shoes, footwear etc.	

c) Financial Information:

Major financial information of Fortune Shoes Limited (FSL) is as follows.

Sl.	Particulars	Period ended (9 Month)	Year ended				
		29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
1	Turn Over	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-
2	Gross Profit	130,060,806	161,880,416	130,788,579	89,355,994	30,766,248	-
3	Net Profit before Income Tax	93,347,815	113,105,400	88,878,371	63,663,994	25,791,650	-
4	Net Profit After Tax	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	-
5	Total Assets	1,215,969,778	1,190,071,474	829,699,337	684,677,518	348,789,324	110,680,000
6	Paid-up Capital	750,000,000	96,150,000	5,500,000	500,000	500,000	500,000
7	Retained Earnings	280,990,701	209,651,428	161,876,963	85,377,865	24,960,894	-
8	No. of Shares	75,000,000	9,615,000	550,000	5,000	5,000	5,000
9	Face Value	10.00	10.00	100.00	100.00	100.00	100.00
10	NAV Per Share	13.75	31.80	3,043.22	17,175.57	5,092.18	100.00
11	NAV Per Share (Considering FV Tk.10 for all years 31 May, 2011, 2012, 2013, 2014 & 2015 and for the period 29 Feb, 2016)	13.75	31.80	304.32	1,717.56	509.22	10.00
12	Earnings per Share (EPS)	1.03	17.09	1,481.80	12,083.39	4,992.18	-
13	Earnings per Share (EPS) (Considering FV Tk.10 for all years 31 May, 2011, 2012, 2013, 2014 & 2015 and for the period 29 Feb, 2016)	1.03	17.09	148.18	1,208.34	499.22	-

d) Features of the issue and its objects:

Offer Price	BDT 10.00
Number of Shares	22,000,000 Ordinary Shares
Offer Size	Tk. 220,000,000.00
Purpose of Raising Fund	Proceeds from Initial Public Offering (IPO) will be used for acquisition of Machinery & Equipment, Construction of Building and IPO Expenses.
Date of Implementation	Within 21 months after receiving IPO fund

e) Legal and other Information:

SL	Name of Certificate/license/Registration/ NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date	Remarks
1	Incorporation	RJSC	Private Limited Company dated March 14, 2010 & CH-7590/10	N/A	-
2	Certificate of Commencement of Business	RJSC	N/A	N/A	Incorporated as a private Ltd. company
3	Trade License	Barisal City Corporation	01053	30.06.2016	-
4	TIN Certificate	National Board of Revenue	689298806613	N/A	-
5	VAT Reg. No.	Customs, Excise & VAT Commissioner ate, Dhaka.	15111025358	N/A	-
6	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	74154	30.06.2016	-
7	Import Registration Certificate		0212712	30.06.2016	-
8	LFMEAB	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh	Serial No- 91	31.12.2016	-
9	Fire License	Bangladesh Fire Services and Civil Defense	Bari/12	30.06.2016	-
10	Environment Clearance Certificate	Department of Environment	12/2970/180	11.02.2017	-
11	Factory License	Factory and Organization Inspection Authority, Khulna	177/Barisal	30.06.2017	-
12	Bonded Warehouse License	Customs Bond Commission rate, Dhaka	01/KAS-PBW/2013	24.02.2016	(Applied for renewal)
13	BCCI	The Barisal Chamber of Commerce & Industry	2273	30.06.2016	-

f) Promoters' background:**Md. Mizanur Rahman:***Chairman, Fortune Shoes Limited*

Md. Mizanur Rahman was born in May 10, 1973 in an illustrious family. His father is Late Abdul Aziz Mollah and mother is Rahima Begum and spouse is Rokshana Rahman. His residence address: Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka.

Md. Mizanur Rahman is the Chairman of *Fortune Shoes Limited*, also Chairman of Bangladesh Shoes Industries Limited, Global Shoes Limited and Glorious Shoes Limited. Mr. Md. Mizanur Rahman obtained M. Sc. from Chittagong University & has 20 years of Professional experience of shoes.

Mrs. Rokshana Rahman:*Managing Director, Fortune Shoes Limited*

Mrs. Rokshana Rahman was born in 28 December, 1982 in an illustrious family of Khulna. Her father is Md. Sultan Ahmed Sharif, mother is Nur Jahan Begum and spouse is Md. Mizanur Rahman. Her residence address: Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka. She obtained HSC & has 6 years of professional experience of shoes manufacturing industry.

Md. Amanur Rahman:*Director, Fortune Shoes Limited*

Mr. Md. Amanur Rahman was born in 7 Feb, 1981 in an illustrious family of Babuganj, Barisal. His father is Late Abdul Aziz Mollah, mother is Rahima Begum and spouse is Mrs. Jannatul Fredousi. His residence address: Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj Dist: - Barisal, Bangladesh. Mr. Md. Amanur Rahman obtained Marine Engineering from D.G. Shipping Bangladesh. He has 6 years of professional experience of shoes manufacturing industry.

Md. Robiul Islam:*Director, Fortune Shoes Limited*

Md. Robiul Islam was born in 03 September, 1987 in an illustrious family of Babuganj Barisal. His father is Late Abdul Aziz Mollah, mother is Rahima Begum and spouse is Mrs. Popi Akhter. His residence address: Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj, Dist: -Barisal, Bangladesh. Md. Robiul Islam obtained M. Com from Barisal B M College & has 6 years of professional experience of shoes industry.

Md. Khosrul Islam*Promoter, Fortune Shoes Limited*

Md. Khosrul Islam was born in April 25, 1974 in an illustrious family. His father is Late Abdul Aziz Mollah and mother is Late Aysha Khatun. His residence address: Forkh Master Bari, Vill-Isamoti, Post-Isamoti 4386, Shatkaniya Chittagong. As per MoA he was a promoter and presently he is a shareholder of the Company.

g) Capital structure and history of capital raising:

Particulars	No. of Shares	Face Value (Tk.)	Amount in Taka
Authorized Capital	150,000,000	10.00	1,500,000,000
Before IPO:			
Paid up capital	75,000,000	10.00	750,000,000
After IPO:			
To be issued as IPO	22,000,000	10.00	220,000,000
Paid up capital (Post IPO)	97,000,000	10.00	970,000,000

The Company has raised its paid-up capital in following phases:

Allotment Date	Form of Consideration (No. of Shares)					Face Value of Share (Tk.)	Paid-up Capital
	In cash		Other than in cash	Bonus			
	Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split		Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split		
14.03.2010 (At the time of Incorporation)	5,000	50,000	-	-	-	100.00	500,000
30.11.2013 (1 st Allotment)	-	-	-	50,000	500,000	100.00	5,000,000
30.11.2014 (2 nd Allotment)	-	-	-	220,000	2,200,000	100.00	22,000,000
06.01.2015 (3 rd Allotment)	13,500	135,000	-	-	-	100.00	1,350,000
08.01.2015 (4 th Allotment)	673,000	6,730,000	-	-	-	100.00	67,300,000
08.07.2015 (5 th Allotment)	-	65,385,000	-	-	-	10.00	653,850,000
Total							750,000,000

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

h) Summary of Valuation Report of securities:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based value per share	
Price based on Net Asset Value per share (without revaluation reserve)	13.75
Method 2: Historical Earnings based value per share	
Earnings based Value per share based on Overall Market P/E	17.65
Method 3: Average market price per share of similar stocks:	546.54

CHAPTER (II): CONDITIONS IMPOSED BY THE COMMISSION**Disclosure in respect of issuance of security in Dematerialized Form**

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Fortune Shoes Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

Conditions imposed by the Commission in the Consent Letter:**PART-A**

1. The Company shall go for Initial Public Offer (IPO) for 2,20,00,000 ordinary shares of Tk. 10.00 each at par totaling to **Tk. 22,00,00,000.00 (Taka twenty two Crore only)** following the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Depository Act, 1999 and rules made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within **02 (two) working days** of issuance of this consent letter. The issuer shall post the full prospectus, vetted by Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **3 (three) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to the Commission, the stock exchanges and the issue manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. The company shall submit **40 (Forty)** copies of the printed prospectus to the Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
4. The issuer company and the issue manager shall ensure transmission of the prospectus and its abridged version for NRBs through email to the Bangladesh Embassies and Missions abroad within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper. A compliance report shall be submitted in this respect to the Commission jointly by the issuer and the Issue Manager within **02 (Two) working days** from the date of said transmission of the prospectus.
5. The following declaration shall be made by the company in the prospectus, namely: -

"Declaration about Listing of Shares with the stock exchange (s):

None of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (Fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (Fifteen) days**, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within **07 (Seven) days** of expiry of the aforesaid **15 (Fifteen) days** time period allowed for refund of the subscription money."

6. All applicants shall apply for a minimum lot of 500 shares worth Taka 5,000/- (Taka five thousand only) or its multiples.
7. The IPO shall stand cancelled in case of under-subscription in any category above 35%. In such an event, the issuer and issue manger shall inform the Commission **within 2 (two) working days** and release the subscription money within 10 (ten) working days after receiving verification report from CDBL and the information from exchanges regarding subscription.
8. **20% of the securities reserved for other general public shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী.** In case of under-subscription under any of sub-categories of eligible investors category or general public category, the unsubscribed portion shall be added to other sub-category of the same category. In case of over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery. In case of over subscription in the eligible investors category, securities shall be allotted on pro-rata basis. No eligible investor shall apply for more than 10% (ten percent) of the total securities reserved for the other eligible investors.
9. An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case, an applicant submits more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
10. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The company shall furnish the list of allottees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
13. Shares not allotted at the time of according this consent, but allotted after listing, in favor of sponsors, directors or shareholders having 5% or more shares through stock dividends, shall be subject to a lock-in period of 02(two) years from the date of issuance of the prospectus.
14. If any share of Sponsors/Directors/Promoters is in paper format, it shall be handed over to securities custodian registered with the Commission and shall remain held till completion of lock-in period and the name of the securities custodian shall be furnished to the Commission jointly by the issuer and issue manager, along with a confirmation thereof from the custodian, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and shall remain in lock-in under CDBL system and issuer shall submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with the lock-in confirmation to the Commission within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to the Commission.
15. The company shall not declare any dividend/bonus shares before listing of its capital with any Exchange from the date of this consent for raising of capital.

16. The company shall not engage itself into any merger/amalgamation or acquisition activities without taking “No Objection” from the Commission, on the scheme of the said merger/amalgamation or acquisition, as recommended by the Board of Directors, before approval by the shareholders in General Meeting.

PART-B

Application Process

Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/ Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely “Public Issue Application Account”. The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the “Public Issue Application Account” maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker’s own portfolio, the application amount should also be transferred to the “Public Issue Application Account”;
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.

5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.
6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
 - a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.
24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.

25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

PART-C

1. The issue manager shall carefully examine and compare the published prospectus and its abridged version on the date of publication with the copies vetted by the Commission. If any discrepancy is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to the Commission and the stock exchanges concerned. In this regard, the issue manager shall submit a compliance report to the Commission within 5 working days from the date of such publications.
2. The fund collected through Public Offering shall not be utilized prior to listing with Exchange(s) and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
3. **The company shall furnish status report on utilization of Public Offering proceeds audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus.**
4. **While auditing the utilization of IPO proceeds, the auditors will perform their jobs under the following terms of reference (TOR) and confirm the same in their report/certificate:**
 - (a) **Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;**
 - (b) **Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;**
 - (c) **Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;**
 - (d) **Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and**
 - (e) **The auditors should also confirm that:(i)assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors' report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.**
5. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
6. Proceeds of the public offering shall not be transferred to any other bank account before listing with the Exchange(s) and used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders' meeting under intimation to the Commission and the Exchanges.

7. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and Rules 13 of the Securities and Exchange Rules, 1987.
8. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. As per provision of the Depository Act, 1999 & Regulations made thereunder, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the depository system of Central Depository Bangladesh Ltd. (CDBL) and any further issuance of shares (including rights/bonus) will be made in dematerialized form only.
2. The issuer and the issue manager shall ensure due compliance of all the above conditions, the 'Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015' and the listing regulations of the exchanges.
3. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

CHAPTER (III):DECLARATION AND DUE DILIGENCE CERTIFICATES AS PER ANNEXURE-A, B & C

Annexure-A

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTORS, INCLUDING THE CEO OF THE ISSUER IN RESPECT OF THE PROSPECTUS

[rule 4 (1)(d)]

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Md. Mizanur Rahman
Chairman
Date: March 23, 2016

Sd/-
Mrs. Rokshana Rahman
Managing Director& Director
Date: March 23, 2016

Sd/-
Md. Robiul Islam
Director
Date: March 23, 2016

Sd/-
Md. Amanur Rahman
Director
Date: March 23, 2016

Sd/-
Md. Ruhul Amin Molla
Independent Director
Date: March 23, 2016

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER (IMPERIAL CAPITAL LIMITED)

[rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 22,000,000 Ordinary Shares of Tk. 220,000,000.00 by Fortune Shoes Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

(j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;

(k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Serial. No.	Name of the Issue	Issue Month/Year	Issue Price (Tk.)	Dividend Payment History		
				2013	2014	2015
1	AFC Agro Biotech Limited	October/2013	10.00	10% B	15% B	AGM not yet held
2	Tung Hai Knitting & Dyeing Limited	April/2014	10.00	10% B	10% B	
3	Shasha Denims Limited	November/2014	35.00	~	20% C, 15% B	
4	C & A Textiles Limited	September/2014	10.00	~	11% B	12% B
5	Simtex Industries Limited	July/2015	20.00	~	~	~

Note: B refers to Bonus/Stock Dividend; C refers to Cash Dividend.

Place: Dhaka

Date: February 11, 2016

Sd/-
Md. Salauddin Sikder FCMA
 CEO & Managing Director
Imperial Capital Limited

Annexure-B

DUE DILIGENCE CERTIFICATE BY ISSUE MANAGER (PRIME BANK INVESTMENT LIMITED)

[rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of 22,000,000 Ordinary Shares of Tk. 220,000,000.00 by Fortune Shoes Limited.

Dear Sir,

We, the issue manager to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures which, in our view, are fair and adequate to enable the investor to make a well informed decision;
- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background of the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;

- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have not managed any public issue in the last 05 (five) years:

Place: Dhaka
Date: February 11, 2016

Sd/-
Sheikh Mortuza Ahmed
Managing Director
Prime Bank Investment Limited

Annexure-C**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (AFC CAPITAL LIMITED)**

[rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 22,000,000 Ordinary Shares of Tk. 220,000,000.00 by Fortune Shoes Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000.00 (Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 35,000,000.00 (Three Crore Fifty Lac) for the upcoming issue.

- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL	Name of the Company	Amount Underwritten (TK.)
1	Ananda Shipyard & Slipways Limited	3,599,200
2	GPH Ispat Limited	262,500,000
3	Nurani Dyeing & Sweater Limited	75,250,000
Total		341,349,200

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Date: February 18, 2016.

Annexure-C**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (EBL INVESTMENTS LIMITED)**

[rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 22,000,000 Ordinary Shares of Tk. 220,000,000.00 by Fortune Shoes Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk 300,000,000.00 (Three Hundred million only) and we have the capacity to underwrite a total amount of Tk 1500,000,000.00 (Fifteen Hundred Million) as per relevant legal requirements. We have committed to underwrite for up to Tk 14,000,000.00 (Fourteen Million) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of The Company	Amount Underwritten (in Tk.)
1.	Silco Pharmaceuticals Limited	50,000,000
2.	Supreme Seed Company Ltd.	22,000,000
3.	Pacific Denims Limited	75,000,000
4.	Cutting Edge Industries Ltd.	16,500,000
5.	SBS Cables Ltd.	41,922,000
6.	ADN Telecom Limited	38,700,000
7.	IDLC Finance Ltd	50,000,000
8.	Nurani Dyeing & Sweater Limited	107,500,000
9.	The ACME Laboratories Ltd.	40,960,000
	Total	442,582,000

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Moinul Hossain Asif
Managing Director
EBL Investments Limited

Date: 18th February, 2016

Annexure-C**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (PLFS INVESTMENTS LIMITED)**

[rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of 22,000,000 Ordinary Shares of Tk. 220,000,000.00 by Fortune Shoes Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (3) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (4) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (f) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 241,500,000 (Twenty-Four Crore Fifteen Lac only) and we have the capacity to underwrite a total amount of Tk. 1,207,500,000 (One Hundred Twenty Crore Seventy-Five Lac) as per relevant legal requirements. We have committed to underwrite for up to Tk. 14,000,000 (One Crore Forty Lac) for the upcoming issue.
- (g) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

Sl. No.	Name of the Company	Amount Underwritten (Tk.)
i)	The ACME Laboratories Limited (IPO)	40,960,000
ii)	Pacific Denims Limited (IPO)	18,750,000
iii)	Doreen Power Generations & Systems Limited (IPO)	41,470,000
iv)	Shamsul Alamin Real Estate Limited (IPO)	7,758,630
Total		108,938,630

- (h) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (i) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (j) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Nripendra Chandra Pandit
Chief Executive Officer (C.C.)
PLFS Investments Limited

Date: February 18, 2016

Annexure-C**DUE DILIGENCE CERTIFICATE BY THE UNDERWRITER (ALPHA CAPITAL MANAGEMENT LIMITED)**

[rule 4 (1)(d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public offer of 22,000,000 Ordinary Shares of Tk. 220,000,000.00 of Fortune Shoes Limited

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

(1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and

(2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 255,500,000 (Twenty-five Crore fifty-five lac) and we have the capacity to underwrite a total amount of Tk.1,277,500,000 (One Hundred Twenty-Seven Crore Seventy-Five Lac) as per relevant legal requirements. We have committed to underwrite for up to Tk. 14,000,000 (One Crore Forty Lac) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

Sl	Name of the issue	Amount underwritten (Tk.)
i)	IDLC Finance Limited	30,000,000
ii)	GPH Ispat Limited	262,500,000
iii)	BD Thai Aluminium Ltd.	30,000,000
Total		322,500,000

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-
Noor Ahamed, FCA
CEO & Managing Director
Alpha Capital Management Limited

Date: February 22, 2016

CHAPTER (IV): ABOUT THE ISSUER

- a) Name of the issuer, dates of incorporation and commencement of its commercial operations, its logo, addresses of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars of the Company:

Particulars	Description
Name of the Issuer	: Fortune Shoes Limited.
Date of Incorporation	: The company was incorporated in the name of Furtune Shoes Limited on March 14, 2010 as a private limited company. As per certificate of RJSC, the name of the company has been changed to Fortune shoes Ltd. on December 29, 2014.
Commencement of its Commercial Operations	: September 07, 2011.
Logo	: 
Addresses of its Registered Office	: Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212.
Telephone Number (Registered Office)	: +88-02-9851132
Fax Number (Registered Office)	: +88-02-9851154
Factory	: Plot # 66-68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh.
Telephone Number (Factory)	: +88-0431-63498
Fax Number (Factory)	: +88-0431-61776
Contact Person	: Md. Mohiuddin Mollah, Chief Financial Officer
Website Address	: www.fortuneshoesltd.com / www.fortuneshoes.com
E-mail Address	: info@fortuneshoesltd.com / fortune.info@fortuneshoes.com

- b) The names of the sponsors and directors of the issuer:



Sl. No.	Name of Sponsor	Name of Director
1	Md. Mizanur Rahman	Md. Mizanur Rahman, Chairman
2	Mrs. Rokshana Rahman	Mrs. Rokshana Rahman, Director & Managing Director
3	Md. Amanur Rahman	Md. Amanur Rahman, Director
4	Md. Robiul Islam	Md. Robiul Islam, Director
5	Md. Khosrul Islam	Md. Ruhul Amin Molla, Independent Director

- c) The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:


Particulars of the Auditor:

Particulars	Description
Name	: MAHFEL HUQ & CO.
Logo	:  Mahfel Huq & Co. Chartered Accountants
Address	: BGIC Tower (4 th Floor), 34, Topkhana Road, Dhaka-1000.
Telephone Number	: +88-02-7171316, +88-02-9553143
Fax Number	: +88-02-9571005
Contact Person	: Md. Abul Kalam, Manager
Website Address	: www.mahfelhuq.com
E-mail Address	: mahfelcofca@yahoo.com

d) Name of the Stock Exchanges where the specified securities to be listed:

Stock Exchanges	DHAKA STOCK EXCHANGE LTD. 9/F Motijheel C/A, Dhaka 1000.		Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755
	CHITTAGONG STOCK EXCHANGE LTD. CSE Building, 1080, Sheikh Mujib Road Chittagong 4100.		Tel: +880-2-9513911-15 Fax: +880-2-9513906

CHAPTER (V): CORPORATE DIRECTORY OF THE ISSUER

Name of the Company	:	Fortune Shoes Limited (FSL)
Company Logo		
Legal Position	:	A Private Limited Company by shares registered under Companies Act, 1994 vide Registration no. CH- 7590/10 dated on March 14, 2010 by the Registrar of Joint Stock Companies & Firms in the name of Furtune Shoes Limited as per certificate of RJSC. The name of the company has been changed to Fortune shoes Limited on December 29, 2014. The Company Converted into public Limited Company on January 14, 2015 and split of Share value from Tk. 100 to Tk. 10 dated on January 14, 2015.
Date of Incorporation	:	March 14, 2010
Date of Commercial Operation		September 07, 2011
Authorized Capital	:	Tk.1,500,000,000 divided into 150,000,000 Ordinary Share of Tk.10.00 each
Paid up Capital	:	Tk. 750,000,000 divided into 75,000,000 Ordinary Share of Tk. 10.00 each
Registered Office	:	Moon Island, Suite C-3, Plot- 34 & 36, Road-08, Block-E, Niketon, Gulshan-1, Dhaka-1212 Tel: +880-02-9851132, Fax: +880-02-9851154 E-mail: info@fortuneshoesltd.com/fortune.info@fortuneshoes.com Web: www.fortuneshoesltd.com/www.fortuneshoes.com
Factory	:	Plot No. 66-68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh.
Board of Directors	:	5 Directors.
Auditors	:	MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4 th Floor), 34 Topkhana Road, Dhaka-1000 Tel: +88-02-9553143, +88-02-9581786; Fax: +88-02-9571005 E-mail: mahfelcofca@gmail.com
Tax Consultants	:	Mr. Md. Tafazzal Hossain Forhad Green Delta AIMS Tower, 51-52 Motijheel C/A, Dhaka.
Legal Advisors	:	Advocate Salena Akhter & Associates 3/E, New Baily Road, Dhaka.
Banker for IPO		Eastern Bank Limited
Banker of the Company		Islami Bank Bangladesh Limited, Mutual Trust Bank Limited
Compliance Officer	:	Md. Riaz Haider, Company Secretary

CHAPTER (VI): DESCRIPTION OF THE ISSUER**a) Summary:****i) The summary of the industry and business environment of the issuer:****Summary of the industry:**

Bangladesh export sector is heavily inclined to RMG. Now several new sectors have been adding to export over the last decade. Footwear is one of the sectors that had tremendous potential to significantly boost up country's export while diversifying the country's economy as well. In July–April, 2013-2014 the export performance for footwear was USD 306.24 million. In contrast to July–April, 2013-2014, export performance in July–April 2014-2015 was USD 383.72 million.

(Source: Annual Report 2014 of Leather goods & Footwear Manufactures & Exporters Association of Bangladesh).

So there was 25.30% growth from year 2013-2014 to 2014-2015, which is significant for the footwear Industry.

Business environment:

The Issuer's business environment is conducive to the business as we have good supply of raw materials. We have skilled labors as well. The wage of labor is reasonable also. Government policy is favorable to the sector. Overall it is a business friendly situation.

ii) Summary of consolidated financial, operating and other information:

This information is not applicable for Fortune Shoes Limited since it has no subsidiary and associates company.

b) General Information:**i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets of the issuer;**

Particulars	Description
Name and Registered Office Address	FORTUNE SHOES LIMITED (FSL) Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212.
Telephone and Fax Numbers of the Registered Office	Telephone: +88-02-9851132 Fax: +88-02-9851154
Corporate Head Office	Corporate head office is also the registered office
Factory	Plot # 66-68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh.
Telephone and Fax Numbers of the Factory	Telephone: +88-0431-63498 Fax: +88-0431-61776
Outlets of the issuer	As the issuer company is 100% export oriented shoes company and has no outlets.

ii) The board of directors of the issuer;

Sl. No.	Board of Director	Designation
1	Md. Mizanur Rahman	Chairman
2	Mrs. Rokshana Rahman	MD & Director
3	Md. Robiul Islam	Director
4	Md. Amanur Rahman	Director
5	Md. Ruhul Amin Molla	Independent Director

iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, managing director, whole time directors, etc. of the issuer;

Sl.	Name & Designation	Address	Tel & Fax No.	E-mail Address
1	Md. Mizanur Rahman Chairman	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	Tel: +88-02-9851132 Fax: +880-02-9851154	info@fortuneshoesltd.com/ mizanurrahman@fortuneshoes.com
2	Mrs. Rokshana Rahman Managing Director & Director	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	Tel: +88-02-9851132 Fax: +880-02-9851154	info@fortuneshoesltd.com/ rokshana@fortuneshoes.com
3	Md. Amanur Rahman Director	Vill-West Voterdia, P.O.-Voterdia, P.S.- Babuganj, Dist: -Barisal, Bangladesh	Tel: +88-02-9851132 Fax: +880-02-9851154	info@fortuneshoesltd.com/ amanurfsl@fortuneshoes.com
4	Md. Robiul Islam Director	Vill-West Voterdia, P.O.-Voterdia, P.S.- Babuganj, Dist: -Barisal, Bangladesh	Tel: +88-02-9851132 Fax: +880-02-9851154	info@fortuneshoesltd.com/ robiul@fortuneshoes.com
5	Md. Ruhul Amin Molla Independent Director	Flat-11B,41/A, Zigatola Zenith, Zigatola, West Dhanmondi, Dhaka.	Tel: +88-02-9851132 Fax: +880-02-9851154	info@fortuneshoesltd.com/ ruhul.amin.molla@hotmail.com

iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer;

Names	Designation	Address	Telephone Number	Fax number	E-mail addresses
Md. Mohiuddin Mollah	CFO	Moon Island, Plot- 34 & 36 Suit-C #3, Road-8, Block-E, Niketon, Gulshan-1, Dhaka.	+88-02-9851132	+88-02-9851154	cfo@fortuneshoesltd.com/ cfo.fsl@fortuneshoes.com
Md. Riaz Haider	Company Secretary				cs@fortuneshoesltd.com/ cs.fsl@fortuneshoes.com
Advocate Salena Akther & Associates	Legal Advisor	3/E, New Baily Road, Dhaka	+88-02-9352096	-	salenaaktherpoly@gmail.com
Mahfel Huq & Co.	Auditor	BGIC Tower (4 th Floor) 34, Topkhana Road Dhaka-1000.	+88-02-7171316, +88-02-9553143	+88-02-9571005	mahfelcofca@yahoo.com
Md. Riaz Haider	Compliance Officer	Moon Island, Plot- 34 & 36 Suit-C #3, Road-8, Block-E, Niketon, Gulshan-1, Dhaka.	+88-02-9851132	+88-02-9851154	cs@fortuneshoesltd.com/ cs.fsl@fortuneshoes.com

v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s);

Name & Address	Telephone & Fax Number	Contact Person	Website & E-mail Address
Imperial Capital Limited Saiham Sky View Tower (3 rd Floor), 45 Bijoy Nagar, Dhaka-1000	Tel: +88-02-9361870 Fax: +88-02-9361870 (Ext.-102)	Md. Salauddin Sikder FCMA CEO & Managing Director	Web: www.imperialcapital.org E-mail: salauddin_sikder@yahoo.com
Prime Bank Investment Limited Peoples Insurance Bhaban (11 th Floor) 36 Dilkusha C/A, Dhaka – 1000	Tel: +88-02-9555674, +88-02-9557688 Fax: +88-02-9559257	Khandoker Raihan Ali, ACA CFO & Company Secretary	Web: www.pbil.com.bd E-mail: ka012901@primebank.com.bd

vi) Details of Credit Rating:

As per Section 3 of Credit Ratings Companies Rules, 1996, no credit rating report is required by the Company.

vii) Details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them;

Name & Address	Telephone & Fax Number and E-Mail address	Contact Person	Underwritten Amount (In Tk.)
AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45 Bijoy Nagar, Dhaka-1000.	Tel: +88-02-8392371 Fax: +88-02-8392372 E-mail: capital.afc@gmail.com Web: www.afcl.asia	Mahbub H. Mazumdar FCMA Chief Executive	35,000,000.00
Alpha Capital Management Limited National Scout Bhaban (5 th Floor), 70/1 Inner Circular Road, Dhaka-1000.	Tel: +88-02-9341277, +88-02-8317356 Fax: +88-02-8351513 E-mail: tasfiaenayet_khan@yahoo.com Web: www.alphacml.com	Noor Ahamed ACA CEO & Managing Director	14,000,000.00
EBL Investments Limited 59 Motijheel C/A, 1 st Floor, Dhaka-1000.	Tel: +88-02-7118975 Fax: +88-02-7120251 E-mail: tanvir@eblinvestments.com Web: www.eblinvestments.com	Md. Tanvir Hashem Manager	14,000,000.00
PLFS Investment Limited Paramonut Heights (13 th Floor), 65/2/1, Box Culvert Road Purana Paltan, Dhaka-1000.	Tel: +88-02-7119654 Fax: +88-02-7125396 E-mail: plfsilbd@gmail.com Web: www.plfsil.com	Nripendra Chandra Pandit Chief Executive Officer, (Current Charge)	14,000,000.00
Total			77,000,000.00

b) Declarations by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations;

All the underwriters have sufficient resources as per the regulatory requirements to discharge their respective obligations which are disclosed in CHAPTER (III) under Due Diligence Certificate by The Underwriter(S) page number 26-29.

c) Major terms and conditions of the underwriting agreements.

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero percent) on the amount underwritten.
- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

c) Capital Structure:

(i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration);

Particulars	No. of Shares	Face Value (Tk.)	Amount in Taka
Authorized Capital	150,000,000	10.00	1,500,000,000
Before IPO:			
Issued, Subscribed & Paid-up capital	75,000,000	10.00	750,000,000
After IPO:			
To be issued as IPO	22,000,000	10.00	220,000,000
Paid up capital (Post IPO)	97,000,000	10.00	970,000,000

The Company has raised its paid-up capital in following phases:

Allotment Date	Form of Consideration (No. of Shares)					Face Value of Share (Tk.)	Paid-up Capital	
	In cash		Other than in cash	Bonus				
	Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split		Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split			
14.03.2010 (At the time of Incorporation)	5,000	50,000	~	~	~	100.00	500,000	
30.11.2013 (1 st Allotment)	~	~	~	50,000	500,000	100.00	5,000,000	
30.11.2014 (2 nd Allotment)	~	~	~	220,000	2,200,000	100.00	22,000,000	
06.01.2015 (3 rd Allotment)	13,500	135,000	~	~	~	100.00	1,350,000	
08.01.2015 (4 th Allotment)	673,000	6,730,000	~	~	~	100.00	67,300,000	
08.07.2015 (5 th Allotment)	~	65,385,000	~	~	~	10.00	653,850,000	
Total								750,000,000

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

(ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

Particulars		Percentage	No. of Ordinary Shares	Nominal Value	Issue price	Issue Amount (Taka)	
Initial Public Offering through Fixed Price Method	Eligible investors (EIs)	Mutual Funds	10%	2,200,000	10.00	10.00	22,000,000
		Other EIs	40%	8,800,000			88,000,000
	General public	NRB	10%	2,200,000			22,000,000
		Others*	40%	8,800,000			88,000,000
Total		100%	22,000,000			220,000,000	

Other*: 88,000,000 Ordinary shares will be reserved for General Public and Small Affected Investors.

(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

The Company has no convertible instruments and share premium account.

Particulars	Amount in BDT
Paid up capital before the present issue	750,000,000
Paid up capital after the present issue	970,000,000
Paid up capital after conversion of convertible instruments (if any)	N/A
Share premium account before the present issue	N/A
Share premium account after the present issue	N/A

(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	30,005,000	30,005,000	40.01%	30.93%
2	Institutional	1,500,000	10,300,000	2.00%	10.62%
3	Mutual fund	~	2,200,000	0.00%	2.27%
4	Individual	43,495,000	52,295,000	57.99%	53.91%
5	Non-Resident Bangladeshis (NRBs)	~	2,200,000	0.00%	2.27%
Total		75,000,000	97,000,000	100.00%	100.00%

The Company has no convertible instrument.

- (v) **Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;**

The Company did not issue any of its ordinary shares for consideration in other than cash at any point of time.

- (vi) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

The Company has not allotted any shares in terms of any merger, amalgamation or acquisition scheme.

- (vii) **Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The Company has not issued any equity shares under stock option to its employees.

- (viii) **If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

Fortune Shoes Limited has not made any issue of specified securities at a price lower than the issue price during the preceding two years.

- (ix) **The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

(x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;

Sl.	Name of Director & Sponsor	Position	Nature of Issue	Date of Allotment and Acquisition & date of share fully paid-up	No. of Shares	Face Value & Issue Price	Consideration	(%)		Lock in Period*	% of Pledge of shares
								Pre-IPO	Post IPO		
1	Md. Mizanur Rahman	Chairman	Ordinary	14-Mar-10	25,500	10.00	Cash	29.00%	22.42%	3 Yrs.	No Pledge
				20-Jun-13	5,000		Cash (Transfer)				
				30-Nov-13	305,000		Bonus				
				30-Nov-14	1,342,000		Bonus				
				8-Jul-15	20,072,500		Cash				
			Total	21,750,000							
2	Md. Amanur Rahman	Director	Ordinary	14-Mar-10	9,500	10.00	Cash	3.67%	2.84%	3 Yrs.	No Pledge
				30-Nov-13	95,000		Bonus				
				30-Nov-14	418,000		Bonus				
				8-Jul-15	2,227,500		Cash				
			Total	2,750,000							
3	Md. Robiul Islam	Director	Ordinary	14-Mar-10	5,000	10.00	Cash	3.67%	2.84%	3 Yrs.	No Pledge
				30-Nov-13	50,000		Bonus				
				30-Nov-14	220,000		Bonus				
				8-Jul-15	2,475,000		Cash				
			Total	2,750,000							
4	Mrs. Rokshana Rahman	Managing Director	Ordinary	14-Mar-10	5,000	10.00	Cash	3.67%	2.84%	3 Yrs.	No Pledge
				30-Nov-13	50,000		Bonus				
				30-Nov-14	220,000		Bonus				
				8-Jul-15	2,475,000		Cash				
			Total	2,750,000							
5	Md. Khosrul Islam	Sponsor	Ordinary	14-Mar-10	5,000	10.00	Cash	0.01%	0.01%	3 Yrs.	No Pledge
				20-Jun-13	(5,000)		Cash (Transfer)				
				12-Feb-15	5,000		Cash (Transfer)				
			Total	5,000							
6	Md. Ruhul Amin Molla	Independent Director	-	-	-	-	-	-	-	-	-

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

[From the issue date of Prospectus]

- (xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the prospectus;

There was no such purchase or sale or otherwise transfer by the sponsor and/or by the directors of Fortune Shoes Limited and their related parties within six months immediate preceding the date of filing the prospectus.

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument;

Sl.	Name of Director	Address	Position	No. of Shares	Pre-IPO %
1	Md. Mizanur Rahman	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka.	Chairman	21,750,000	29.00%

There is no event or intent of exercising warrant, option or right to convert any convertible instrument.

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.

There is no officer holding any securities of the Company except the followings:

SL.	Name of Directors	Position	No. of Shares held	% of Holding
1	Md. Amanur Rahman	Director (Human Resource))	2,750,000	3.67%
2	Mrs. Rokshana Rahman	Managing Director	2,750,000	3.67%
3	Md. Robiul Islam	Director (Production)	2,750,000	3.67%
4	Md. Safiul Azam	Manager (Production)	300,000	0.40%

d) Description of Business:

- (i) **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;**

Furtune Shoes Limited was incorporated on 14 March, 2010 vide registration no. CH-7590/10 as a private limited company by the Registrar of Joint Stock Companies & Firms in Bangladesh under the Companies Act 1994. The company changed its name from “Furtune Shoes Ltd.” to “Fortune Shoes Ltd.” on December 29, 2014. Further the Company Converted into public Limited Company on January 14, 2015 and split of Share value from Tk. 100 to Tk. 10 dated on January 14, 2015.

The Company started its commercial operation on September 07, 2011.

The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc.

There is no subsidiary company of Fortune Shoes Limited.

- (ii) **Location of the project;**

The factory premise of FSL is located at Plot # 66, 67 & 68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh.

- (iii) **Plant, machinery, technology, process, etc.**

Fortune Shoes Limited has been using sophisticated machineries and modern technology in order to produce high quality of shoes. It helps us to be competitive over our competitors because of our latest machineries and technology.

- (iv) **Details of the major events in the history of the issuer, including details of capacity/facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc.;**

History of the issuer	On March 14, 2010 incorporated as a Private Limited Company.
	Converted into a Public Limited Company on January 14, 2015.
Launching of plant	On September 07, 2011.
Capacity	2,920,000 Quantity in pair as on 29 February, 2016.
Capital raise (Last)	Tk. 653,850,000 on 08-Jul-15.
Products	Shoes.
Market for the product	Taiwan, Netherlands, Spain, Sweden, Switzerland, Canada and Germany.
Change in ownership/key management personnel	On January 17, 2016 Mrs. Rokshana Rahman became Managing Director of the Company.
	On January 17, 2016 Md. Ruhul Amin Molla appointed as Independent Director for the period of 3 (Three) years.

- (v) **Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

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, man and women.	Taiwan, Netherlands, Spain, Sweden, Switzerland, Canada and Germany

Past trends:

Last 5 years sales of Fortune Shoes Limited

(Amount in BDT)

Particular	29-Feb-16 (9 Months)	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Turnover*	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-

*All turnovers are export sells. There is no domestic sells.

Future prospects:

Bangladesh export sector is heavily inclined to RMG. Now several new sectors have been adding to export over the last decade. Footwear is one of the sectors that had tremendous potential to significantly boost up country's export while diversifying the country's economy as well. In July–April, 2013-2014 the export performance for footwear was USD 306.24 million. In contrast to July–April, 2013-2014, export performance in July–April 2014-2015 was USD 383.72 million.

(Source: Annual Report 2014 of Leather goods & Footwear Manufactures & Exporters Association of Bangladesh).

So there was 25.30% growth from year 2013-2014 to 2014-2015, which is significant for the footwear Industry.

- (vi) **If the issuer 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;**

FSL produces a single product 'Shoes'. Therefore, 100% revenue generated for the Company is contributed by its only product shoes.

- (vii) **Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;**

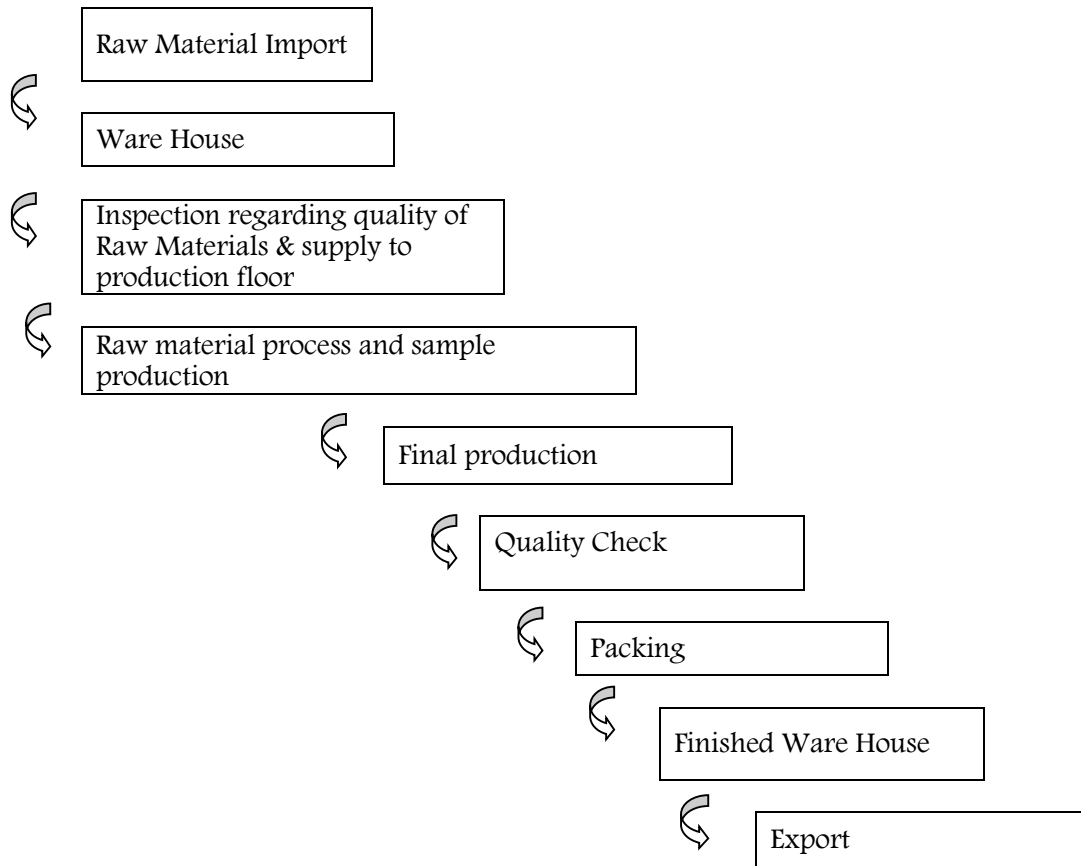
There are no associates, subsidiary and holding company of Fortune Shoes Limited.

- (viii) **How the products or services are distributed with details of the distribution channel. Export possibilities and export obligations, if any;**

Fortune Shoes Ltd. is a 100% export oriented shoes company. Its products are marketed based on buyer's requirement. It exports different types of shoes against L/C to Taiwan, Netherlands, Spain, Sweden, Switzerland, Canada and Germany.

Process:

The distribution process may demonstrate as follows:

**Export possibilities and export obligations:**

We don't have any export obligation rather there is good potential of expansion for export.

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors;

In Bangladesh a number of firms are engaged in Shoes industries. Major competitors are:

1. Bata Shoe Limited	5. Bengal Shoe Industries Limited
2. Apex Footwear Limited	6. Longla Leatherex limited
3. Legacy Footwear Limited	7. Zeil Wears Limited
4. Lalmai Sportswear Industries Limited	8. Earth Footwear Limited

Apart from this, as per annual report of the listed companies and audited financial statements of Fortune Shoes Limited, the sales amounts are presented below:

Amount in BDT (Million)

Sl. No.	Name of the Company	2015/2016	Period	Year End
1	Fortune Shoes Limited	738.62	From 1 Jun, 2015 to 29 Feb, 2016	31 May
2	Bata Shoes Limited	1,966.11	From 1 st January, 2016 to 31 st March, 2016	31 December
3	Apex Footwear Limited	8,677.96	From 1 Jan, 2015 to 30 Sep, 2015	31 December
4	Legacy Footwear Limited	91.93	From 1 Jan, 2015 to 30 Sep, 2015	31 December

There is no data available regarding market shares of the respective listed company in their annual report.

(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption;

SL	Name of Principal Suppliers	Name of Raw Materials	Address	Country of origin
1	Xiamen Uniworld International Trade Co. Ltd.	Swing machine needle, outer sole and heels of rubber, uppers and parts thereof, pvc scrn. Nylon string, t/t paper, adesive tape	Room-6I, Block –C, Yuxiu Center, No-38, Yuxiuli, Xiamen, China	China
2	Fujian Quanzhou Yonghui Import & Export Co. Ltd	Pu upper, stitching glue, shoe lace, pu print, pu collar tow tone, mesh synthetic, lunny suede diff.	Room-202, Bldg-2, Zindi Garden, Fengze District, Quanzhou, Fujian China	China
3	Great Eastern Resin Industry Ltd.	Polyether polioli glue, lamination glue, solvent diffityps, upper primer, tpr primer, latex, toulien,	34,35 Road, Taichung Industrial Park, Taichung, Taiwan, R.O.C	Taiwan
4	Checkpoint App. Labelling	Larel	4&5/F, Shatin Indl Ctr, Blk-A, Sha Tin, New Territories, Hong Kong	Hong Kong
5	Fujian Jointek Imp. & Exp. Co. Ltd.	Two Tone Pu, Canvas, Embossing Mould, Non-Woven, Magic Tape, 1.4 mm Eva, Inner Box, T/T Paper Webbing	8F, Qushi Building, Sijing Industrial Area, Chendai Town, Jinjian Fujian, China	China
6	Quanzhou Sifo-Garshing Imp. & Exp. Co. Ltd.	Pu tone, binding materials diffityp, fu long, eva 4 mm lace tone, shank metal, eyelet, pu print, out sole.	12/F, Zhongyin Building Chongde Road, Jinjiang, Fujian, China	China
7	Xiamen Great Power Imp. & Exp. Co. Ltd.	Waterproof Footware, Canvas, Eva, Eyelet, Steel Shank, Buckless, Shoe Lace, Last	Room-402, No-999, 1001 Anling Road, Huli District, Xiamen, China	China
8	Jastone Imp. & Exp. Co. Ltd.	Raw & p.mat. Micro pac, outsole, shoe lace, eva, red sheet, pu, mesh, lishine cloth, thermo plastic, webbing, elastic gore	Unit 3105-1,31/F, No.100, Lujiang Road, Xiamen, China	China
9	Xiamen Golden Friendship Industry Trade Imp. & Exp. Co. Ltd.	Raw & P Materials Eyelet, Silver Pen, Mesh, Nylon, Newtex, Webbing, Thread, Force Tape, Pu, Inner Box, Kp, Shoes Upper, Shoe Lace	Room-305, Building-24, Shi Quan Road, Si Ming District, Xiamen City, Fujian Province, China	China
10	Xiamen Jastone Imp. & Exp. Co. Ltd.	Raw & p.mat. Mesh, tricot, kp, force tape, newtex, lishing cloth, micro pac, outsole, last, shoe lace, eyelet, webbing, wrappongg paper, nylon string, eva	Unit 3105-1, 31F, No 100 Lujiang Ro, Ad Siming District Xiamen China	China
11	Quanzhou Co. Ltd.	Two Tone Pu, Canvas, Embossing Mould, Non-Woven, Magic Tape, 1.4 mm Eva, Inner Box, T/T Paperwebbing	Room-202, Bldg-2, Fengze District, Quanzhou, Fujian China	China

Contingency Plan in case of any disruption:

As number of suppliers of raw materials are plenty in the market, if one supplier fails to provide raw material there are always other suppliers available. So there is no possibility of disruption.

(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption;

Power:

Company has electric connection of 1,000 KVA (requirement 600 KVA) from Power Development Board (PDB), Barisal and captive power supply facilities by 2 diesel generators of 600 KVA capacities are used to avoid interruption of power supply.

Water:

FSL uses water for daily office operation from BSCIC.

GAS:

Except for ordinary use in office, the company does not require gas for manufacturing operation in any of the production line.

Contingency Plan in case of any disruption:

To tackle the disruption of utilities, Company has installed generators i.e. as mentioned in above.

(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products/services with amount and percentage thereof;

The Company has the following customers who contribute 10% or more of the total revenue:

As per 29 Feb, 2016

Customer Name & Address	Telephone Number	Web Address	E-mail	Fax Number	Amount (in Tk.)	%
Name: Programme International Co Ltd. Address: 8F, No. 98, Sec-1, Chongyang Road, Sanchong Dist, Newtaipei City 241. Taiwan (R.O.C.)	00886-2-3322-3280	-	sunny-program@umail.hinet.net	+8659568127555	332,759,794	45.05
Name: Theo Henkelman Schoenen Bv Address: Postbus 10123, 6000 gc Weert, the Netherlands.	+31 495 543959	www.henkelman.nl	Buying@henkelman.nl,	+31 495 786729	182,634,391	24.73

There is no web address of Programme International Co Ltd.

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material/finished goods with amount and percentage thereof;

The Company has the following Suppliers from whom the Company purchases 10% or more of its raw material/Finished goods:

As per 29 Feb, 2016

Suppliers Name & Address	Telephone Number	Web address	E-mail	Fax Number	Total	%
Name: Xiamen Uniworld Int. Trade Co. Ltd Address: Room-61, Block-C, Yuxiu Center, No-38, Yuxiuli, Xiamen, China	0086-592-5060126	www.xmuniworld.com	licky@zmuniworld.com	0086-592-5060126	117,959,604	25.90
Name: Fujian Jointek Imp & Exp Co. Ltd Address: 8F Qushi Building, Sijing Industrial Area, Chendai Town, Jinjiang, Fujian, China.	0086-1396-0277333	www.fujian-jointek-imp-exp-co-ltd.com	yimeiwang@163.com	0086-595-82878098	53,026,180	11.64
Name: Xiamen Golden Friendship Industry Trade Imp Exp Co. Ltd Address: ROOM 305,building 24,Shi Quan Road, siming District, XiamenCity, Fujian Province, China	0086-592-5182167	www.tradeatlas.com	jfy1205@sme.net.cn	0086-592-5182167	76,665,364	16.83
Name: Fujian Quanzhou Tiancheng Imp and Exp Trading Corp. Address: 9/F,DENXING TRANSPORT BLDG.,BAOZHOU RD.,QUANZHOU FUJIAN,China	96-0595-22518209	www.fujian-quanzhou-tiancheng-import.com	fuji_qun@net.com	96-0595-22518208	66,182,232	14.53
Name: Jinjiang Sanlefu Imp and Exp Co. Ltd. Address: Ltd Rm 1002, No B, Tenglong Bldg, Zhushuxia New Area, Meiling St, Jinjiang City, Fujian, China	021-51873170	www.diigen.com	info@vinexad.com	021-51873172	100,520,882	22.07

- (xiv) Description of any contract which the issuer 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. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO/MD, CFO and Chairman on behalf of Board of Directors;

The Company has no such contract with principal suppliers or Customers.

Declaration regarding Contract with Principal suppliers or customers

We, on behalf of the Board of Directors certify that Fortune Shoes Limited did not enter into any contract with its principal suppliers or customers.

Sd/-

Mrs. Rokshana Rahman
Managing Director

Sd/-

Md. Mohiuddin Mollah
Chief Financial Officer

Sd/-

Md. Mizanur Rahman
Chairman

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;

SL	Name of license/Registration /NOC	License Issuer/Issuing Authority	Certificate / License No.	Expiry Date	Remarks
1	Incorporation	RJSC	Private Limited Company dated March 14, 2010 & CH-7590/10	N/A	~
2	Certificate of Commencement of Business	RJSC	N/A	N/A	Incorporated as a private Ltd. company
3	Trade License	Barisal City Corporation	01053	30.06.2016	~
4	TIN Certificate	National Board of Revenue	689298806613	N/A	~
5	VAT Reg. No.	Customs, Excise & VAT Commissionerate, Dhaka.	15111025358	N/A	~
6	Export Registration Certificate	Controller of Import & Export, Government of Bangladesh	74154	30.06.2016	~
7	Import Registration Certificate		0212712	30.06.2016	~
8	LFMEAB	Leather goods & Footwear Manufacturers & Exporters Association of Bangladesh	Serial No- 91	31.12.2016	~
9	Fire License	Bangladesh Fire Services and Civil Defense	Bari/12	30.06.2016	-
10	Environment Clearance Certificate	Department of Environment	12/2970/180	11.02.2017	-
11	Factory License	Factory and Organization Inspection Authority, Khulna	177/Barisal	30.06.2017	~
12	Bonded Warehouse License	Customs Bond Commissionerate, Dhaka	01/KAS-PBW/2013	24.02.2016	(Applied for renewal)
13	BCCI	The Barisal Chamber of Commerce & Industry	2273	30.06.2016	~

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

The Company neither obtained any Patent Right/Trademarks nor signed any royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation.

(xvii) Number of total employees and number of full-time employees;

The permanent/full-time employees as on February 29, 2016 are as follows:

Salary Range (Tk.)	Officer & Staff		Worker	Total Employee
	Factory	Head Office		
Above 3,200	104	15	1,401	1,520
Total	104	15	1,401	1,520

The Company has no part time employee.

(xviii) A brief description of business strategy;

FSL's key strategic objectives are to:

- 1) Maintain the buyers demand, choice and expectation to grab the overseas market.
- 2) Catch up the latest fashion prevailing around the world.
- 3) Ensure better quality of products in competitive price.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

With regard to above, a table is presented in the following page:

Total actual capacity and its utilization:

Product	Unit	Installed Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
		Jun'12 to May'13	Jun'13 to May'14	Jun'14 to May'15	Jun'12 to May'13	Jun'13 to May'14	Jun'14 to May'15	Jun'12 to May'13	Jun'13 to May'14	Jun'14 to May'15
Shoes	Pair	2,117,000	2,226,500	2,555,000	1,382,658	1,519,825	1,809,347	65.31%	68.26%	70.82%

Estimated capacity and its utilization:

Product	Unit	Installed Capacity			Capacity utilization for this Products			Actual Capacity Utilization (%)		
		Jun'15 to May'16	Jun'16 to May'17	Jun'17 to May'18	Jun'15 to May'16	Jun'16 to May'17	Jun'17 to May'18	Jun'15 to May'16	Jun'16 to May'17	Jun'17 to May'18
Shoes	Pair	3,117,100	3,647,007	4,048,178	2,337,825	2,735,255	3,036,133	75.00%	75.00%	75.00%

The Company has projected that the capacity utilization will be increase. As the total market is increased day by day and market share of the company is increasing. Hence, the management of the Company thinks that the projected capacity is attainable.

e) Description of Property:

The written down value of Property, Plant & Equipments owned by the company as per audited accounts as on 29 February, 2016 are stated below:-

Particulars	Written Down Value as at 29.02.2016
Land	681,818
Land Development	33,242,876
Factory Buildings	181,648,712
Office Building	24,378,624
Plant & Machinery	300,566,144
Substation, Electrical Installation & Equipment	44,317,491
Generator	7,160,749
Vehicles	4,589,320
Furniture and Fixture	6,916,972
Office Equipment	4,971,067
Fire Equipment	1,591,310
Air Conditions and Air Cooler	10,407,471
Total	620,472,553

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The entire above mentioned assets are located at the Company's factory premises at BSCIC Industrial Estate, Kawnia G, Barisal, Bangladesh and registered office at Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212. All of the above-mentioned Property, Plant & Equipments are in working condition.

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

All the assets of the Company are in its own name except factory land which has been taken under 99 (Ninety Nine) years lease agreement from Bangladesh Small and Cottage Industries Corporation (BSCIC).

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof;

Land:

Lease Deed No.	Dates of purchase	Mutation date	Last payment date of current rent (খাজনা)	R. S Dag No.	Deed Value In Tk.	Land development & Other Cost in Tk.	Area of Land (Sft)	Current use
14546/11	19.12.2011	N/A (as it is lease hold land)	May 04, 2016	Plot-66 & 67	4,54,546	3,65,24,059	33,000	Factory Building, Administrative Building
4244/12	19.04.2012			Plot-68	2,27,272		16,500	
Total					6,81,818	3,65,24,059	49,500	

Details of land and land development cost are as follows (as shown in Annexure 1 of financial statement for the period ended 29 February, 2016):

Sl. No.	Particular	Amount in Tk.
A	Land	681,818
B	Land development cost	
1	Earth Filling:	
	Earth Filling and entire factory premises area development cost up to 29.02.2016 by local sand, soil, with labor & carrying, including ditch area filling. 878,658 cft @ Tk.25 per cft	21,966,439
2	Internal Road:	
	Development and construction by Soil, Sand, Brick, Labor, Carrying cost of internal connectivity road area of factory premises. Road area 300 mtr @ Tk. 8,900 per mtr	2,670,000
3	Boundary Wall :	
	15 feet height RCC pillar from ground level with grade beam and bricks work up to 10 feet high above grade beam running 284 mtr @ Tk.6,300 per mtr.	1,789,200
4	Water Sewerage Line	
	RCC Pipe, labor, carrying cost of Water Sewerage Line in factory premises 620 mtr @ Tk 4,791 per mtr	2,970,420
5	Water Reservoir	
	Water reservoir construction with RCC for cooling system 10,800 cft@ Tk 660 per cft	7,128,000
Total		36,524,059

Office Building:

Deed No.	Dates of purchase	Location	Plot Number	Last payment date of current rent	Deed Value in Tk.	Other Cost (Registration & Legal Charges) in Tk.	Area (Sft)
10458	31.12.2014	Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212.	34 & 36	May 30, 2016	25,000,000	2,501,150	1,393.13 (Flat area) 110 (Car Parking)

- (iv) The names of the persons from whom the lands has been acquired/proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Names of the persons from whom the lands have been acquired	Cost of acquisition	Relation
BSCIC, I/E, Kawnia, Barisal	681,818	Lessor
Hefajat Limited, 474, DIT Road, Malibagh, Dhaka.	25,000,000	Buyer-Seller

*There is no relation of Land owner with the Directors and Sponsors of the Fortune Shoes Ltd.

- (v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required;

The Company has received all the approvals pertaining to use of the land.

- (vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

49,500 sft lease hold lands along with factory buildings, plant & machinery and vehicles are mortgaged to Islami Bank Bangladesh Limited (Barisal Branch) against Long Term Loan and Short Term Borrowings.

Name of Mortgagee	Deed No.	Date	Description of Land/Plot No.	Area in Sft
Islami Bank Bangladesh Limited (Barisal Branch)	14546/11 4244/12	08.09.2012	BSCIC, I/E, Kawnia, Barisal	49,500

- (vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

No Property is taken by the Company under lease agreement except Company's factory land.

Lessor	Location	Plot No.	Area of Plot (sft)	Period of Agreement	Amount	Total Monthly Amount
BSCIC Industrial Estate	Kawnia, Barisal, Bangladesh	66, 67 & 68	49,500	From 10 th July, 2011 to 9 th July, 2110	681,818	85,777

Principal Terms and Conditions of the Lease Agreements:

- That the lessee shall keep the demised property and all buildings, structures and erections from time to time standing therein clean, sanitary and in good order, condition and repair to the satisfaction of the lessor, and in default the lessor may after one month's previous notice in writing carry out all necessary repairs and the cost thereof shall be paid by the lessee on demand and may recovered from the lessee under the Bengal public demands Recovery Act. 1913.
- That the lessee shall preserve intact the boundaries of the demised property and shall keep the same well demarcated and shall point them out when required by the lessor to do so to any officer duly authorized by him in writing to inspect them. Should any boundary mark be missing the lessee shall report the fact to the lessor, if it is found that any boundary pillars are demolished or lost due to any action of the lessee the cost of replacement of such boundary pillars may be realized from the lessee by the lessor.
- That the lessee shall not without the previous written permission and sanction of the lessor, sell exchange, gift away, charge mortgage, assigned, sub-let or otherwise dispose of part

with or encumber the demised property or any part thereof or any buildings or structures therein and in the event such sanction being given by the lessor, the Lessee shall make a prior payment to the lessor a fee equivalent to 50% of the market value of the demised property or part thereof so sold. Exchanged or gifted away or changed, mortgaged, assigned sublet or encumbered for a period of 10 years or more and if the period shall be of less than 10 years the fee shall be calculated at the rate of one month's rent for each two years' period of the charge, mortgage assignment, sub-lease or other encumbrances transfer fee of old 20 estate's will be 200% of the existing price.

- Provided that if it shall be necessary for the lessee for the purpose of development of the industrial project to obtain loans or advance from any loan giving agency, constituted under a Statute, the demised property may be charged or mortgaged as security for such loans or advances without any reference being made to the lessor and / without any fees being paid therefor.
- That the lessee shall not without the previous written permission of the lessor use the demised property of any buildings, structure, etc. therein for any purpose other than the declared industrial purpose of the lessee as set forth in this indenture or for allied industries.
- That the lessee shall construct a pacca culvert over the road side drains connecting approach to building of the lessee.

(viii) Dates of purchase of plant and machineries along with seller's name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

Date of Purchase	Sellers Name	B/E No. & Date	Address	Years of Sale	Condition when Purchased	Country of Origin	Useful Economic Life at Purchase	Remaining Economic Life	Purchase Price in Tk.	W.D.V in Tk.
2011	Xiamen Uniworld Int'l Trade Co. Ltd.	28.04.2011 (C 156331)	Room No:6l, Block-c, Yuxiu Center, No-38, Yuxiuli Xiamen, China	N/A	Brand New Capital Machineries	China	10 years	5 years	19,402,320	19,402,320
2012	Xiamen Uniworld Int'l Trade Co. Ltd.	03.08.2011 (C 72267)	Room No:6l, Block-c, Yuxiu Center, No-38, Yuxiuli Xiamen, China	N/A	Brand New Capital Machineries	China	10 years	6 Years	130,452,440	121,969,505
		21.11.2011 (C 72331)								
		27.03.2012 (C 34109)								
2013	Xiamen Uniworld Int'l Trade Co. Ltd.	13.09.2012 (C 105678)	Room No:6l, Block-c, Yuxiu Center, No-38, Yuxiuli Xiamen, China	N/A	Brand New Capital Machineries	China	10 years	7 Years	186,502,640	162,427,047
		07.11.2012 (C 110853)								
		30.01.2013 (C 114684)								
		03.03.2013 (C 126390)								
		19.02.2013 (C 126003)								
2014	Xiamen Uniworld Int'l Trade Co. Ltd.	04.08.2013 (C 107734)	Room No:6l, Block-c, Yuxiu Center, No-38, Yuxiuli Xiamen, China	N/A	Brand New Capital Machineries	China	10 years	8 Years	263,454,226	218,717,625
		27.10.2013 (C 125450)								
		23.01.2014 (C 131664)								
		13.03.2014 (C 132195)								

2015	Sung Machinery Co.	16.09.2014 (C 425874)	417-3, Kanab-Ri, Kwangjuk-Myen, Yangju-kun, Kyungki, Korea.	N/A	Brand New Capital Machineries	Korea	10 years	9 Years	372,256,043	299,789,237
		12.10.2014 (C 537030)								
		02.12.2014 (C 1006650)								
		22.12.2014 (C 1081107)								
2016 (Upto 29.02.2016)	Sung Machinery Co.	16.04.2015 C-1082236	417-3, Kanab-Ri, Kwangjuk-Myen, Yangju-kun, Kyungki-Do.	N/A	Brand New Capital Machineries	Korea	10 years	9 .25 Years	24,922,607	300,566,144

(ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds, the details of which are below:

Name of Supplier	Country of Origin	Description	Qty (Pcs)	Unit Price in USD	Total Amount in USD	Exchange Rate (BM)	Total Cost in BDT	Date of Placement of Order	Date or Expected Date of Supply
Xiamen Uniworld International Trade Co. Ltd.	China	Sewing Machines of Industrial Type(Excl. Automatic Units): SINGLE NEEDLE HIGHPOST SEWING MACHINE	270	600	162,000	77.50	12,555,000	After receiving IPO Fund	Within 18 Months After receiving IPO Fund
		Sewing Machines of Industrial Type(Excl. Automatic Units): DOUBLE NEEDLE HIGHPOST SEWING MACHINE	220	705	155,100		12,020,250		
		Sewing Machines of Industrial Type(Excl. Automatic Units): SINGLE NEEDLE ROLLER SEWING MACHINE	130	1,268	164,840		12,775,100		
		Sewing Machines of Industrial Type(Excl. Automatic Units): SINGLE FLATBED SEWING MACHINE	140	564	78,960		6,119,400		
		Sewing Machines of Industrial Type(Excl. Automatic Units): ZIG-ZAG SEWING MACHINE	130	575	74,750		5,793,125		
		Machinery For Making or Repairing Footware: SKIVING MACHINE	41	700	28,700		2,224,250		
		Machines For Reeling, Unreeling, Folding, Cutting-Texttile Fabrics: FOLDING MACHINE	35	2,394	83,790		6,493,725		

	Machinery For Making or Repairing Footware: PUNCHING MACHINE	40	1,233	49,320		3,822,300		
	Machinery For Making or Repairing Footware: EYELET SETTING MACHINE	40	1,584	63,360		4,910,400		
	Ironing Machines And Presses(Incl.Fusing Presses): THERMAL PRESSING MACHINE	30	845	25,350		1,964,625		
	Machinery For Making or Repairing Footware: GLUE SPRAYING MACHINE	52	1,408	73,216		5,674,240		
	Sewing Machines of Industrial Type(Excl. Automatic Units) : INSOLE SKIVING MACHINE	37	5,633	208,421		16,152,628		
	Sewing Machines of Industrial Type(Excl. Automatic Units) : STEAM UPPER MOLDING	33	1,795	59,235		4,590,713		
	Machinery For Making or Repairing Footware: EMBOSSING MACHINE	36	3,345	120,420		9,332,550		
	Total			1,347,462		104,428,305		
Installation & Others expenses	(L/C Commission & Other Charges, Insurance, Other customs related charges C & F Commission and Other Charges, Installation charges, Carrying Charge					5,088,695		
	Total Cost of Machinery					109,517,000		

- (x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;

There are no such machineries which are yet to be delivered.

- (xi) If plant is purchased in brand new condition, then it should be mentioned;

All plants and machineries of the Company were purchased in brand new condition.

DECLARATION RELATED TO MACHINERIES BEING BRAND NEW

We do hereby declare that all the plants and machineries of the Company amounting to Tk. 397,178,650 as on 29 February, 2016 were purchased in brand new condition. There are no re-conditioned or second hand machineries installed in the Company.

Place: Dhaka
Dated: June 09, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

- (xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;

The Company neither purchased any second hand or reconditioned machineries nor any plan to purchase in future.

- (xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;

PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER(S)

Of

FORTUNE SHOES LIMITED

This is to certify that we have visited the registered office and factory of Fortune Shoes Limited on February 17, 2016 and February 18, 2016 respectively and we have found the registered office and factory as details bellow:

Visited and Accompanied by:

Particulars	Name & Designation	Company
Visited by (Imperial Capital Limited)	: Md. Salauddin Sikder FCMA <i>CEO & Managing Director</i>	Imperial Capital Limited
	: Md. Shazzad Hossain <i>Senior Executive</i>	
Visited by (Prime Bank Investment Limited)	: Mr. Tanveer Reza <i>Chief Operating Officer</i>	Prime Bank Investment Limited
	: Mr. Khandoker Raihan Ali ACA <i>Chief Financial Officer</i>	
Accompanied by	: Mr. Md. Mizanur Rahman <i>Chairman</i>	Fortune Shoes Limited
	: Mr. Santosh Kumar GM (Factory)	

Registered Office:

The registered office of the Company is located at Moon Island (suit #C-3), Plot No-34 & 36, Road#8, Block E, Niketon, Gulshan-1, Dhaka 1212, Bangladesh. 1503.13 sft own by the Company.

Location of the Factory:

The factory is situated at Plot # 66, 67 & 68 BSCIC Industrial area, Kawnia, Barisal.

Nature of Business:

The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc.

Products:

The Company produces a single product 'Shoes' of various specifications, compositions, color and qualities.

Description of Property:

We have identified the properties of Fortune Shoes Ltd. are as follows:

1) **Office Building:** 1503.13 sft floor in the name of the company at Moon Island (Suit #C-3), Plot No-34 & 36, Road#8, Block E, Niketon, Gulshan-1, Dhaka 1212, Bangladesh.

2) **Land:** We have found 49,500 sft of land surrounded by Boundary wall.

Factory Building: The factory has nine buildings. One office building, 3 storied factory building, One Storied Substation Building, Raw Material Store, Generator Water House, Generator Room, Lamination Room, Raw Materials store (Chemical), Dice Section.

Details of the buildings status are discussed below:

No. of Buildings	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Total Building Area Each floor (sft)	Usage (sft)
Building-1	Two storied Office Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC- Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	4,830	9,660
Building-2	Three storied Building, ground floor, 1 st floor full & 2 nd floor partly complete (4,044 sft) completed. Per floor area 30,983 sft.	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC- Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	30,983	66,010
Building-3	One Storied Substation Building	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall Plaster, Wall Paint, Inside side, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window,	800	800
Building-4	One Storied Raw Material Store	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	3,200	3,200

Building-5	One Storied Generator Water House	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Wall Paint, Inside wall-Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	140	140
Building-6	One Storied Generator Room	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall-Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	493	493
Building-7	One Storied Lamination Room	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall-Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	786	786
Building-8	One Storied Raw Materials store (Chemical)	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Wall Paint, Inside wall-Plastic Paint , Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	450	450
Building-9	One Storied Dice Section	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle , Brick Wall, Plaster, Floor Tiles, Wall Paint ,Inside wall- Plastic Paint, Outside Wall-Weather Coat ,Thai Aluminum & 5mm Glass in window , Industrial Door, M.S Grill in Window	340	340

3) Plant & Machinery and Office Equipment:

Name of Machinery	Qty.
Single needle high post stitching machine	448
Double needle high post stitching machine	371
Single needle Roland machine	30
Parts of high post stitching machine	69
Parts of flatbed stitching machine	60
Computer stitching machine	3
Eva stopping machine	1
Solinaied bulb for embossing	27
Strip cutting machine	3
Binder Stitching machine	14
High post sewing machine	120
Outsole Stitching Machine	3
Outsole Roughing /Biffing/Machine	3
Double needle high post sewing machine	70
Embroidery Machine-20 Head	4
Hydraulic Planar cutting machine	5
Loop Cutting machine	1
Vamp Setting Machine	7
Vamp Climphing Machine	1

Hemarring Machine	6
Milling machine	1
Transfer planing machine	5
Toe lasting machine	13
Heel lasting machine	13
Lasting machine	2
Marking / rulling machine	12
Rullingengline	13
Glue Rolling Machine	2
Injection outsole mound	1
Busbar Trucking	13
Air compressor big 10 kg	4
Air compressor small 8 kg	3
Iron Table	12
Iron Tool-Big	350
Last Carrier	2
Re-cone Machine	2
Iron Rack	6
H JmitVamy	3
Tow & side press	1
Wrinkal Remover Machine	3
Upper Hitting Machine	5
Upper Grinding/ Baffing/Machine	1
Speed Polishing Machine	5
Teo& Side Press	1
Big Focklift	5
Cutting machine (30T)	7
Foam Cutting machine	3
Binder cutting machine	1
Sponge cutting machine	2
Lamination Machine	1
Backcounter Molding Machine (Hot & Cool)	1
Hot Melt Coating machine	14
Insock press machine	4
Punch machine-air	7
Shank Revit Punching machine	2
Eyelet pressor machine	28
Laser cutting machine	6
Single needle roller sewing machine	11
High post sewing machine	120
Single flatbed sewing machine	15
Flat bed stitching machine	53
Flat Bed DubbleNedel	6
Flat Bed 4 Nedel	2
Zig-zag sewing machine	18
Skiving machine	16
Folding machine	10
Punching machine	8
Eyelet setting machine	7
Round Eyelet Repate Punching Machine	6
Capsul Eyelet Hole Punching Machine	6
Thermal pressing machine	6
Glue spraying machine	43
Glue mixing machine	1
Steam upper molding	8
Dice Moulding Machine	1
Insock Molding Machine	1

Embossing machine	29
Pressing Machine with Long Men	6
Pressormic	2
Oven Machine	21
Air Compressor Big	1
Air Box (ADD Drying Bottle)	4
Punch Machine Air	10
Multi Angle Cutting Micro Computer JD898	1
Single Head Bacuuming Polishing Machine	4
Vertical rinding Machine	2
Automatic Gluing Machine	5
Pressure at the end Hydraulic Press Machine	5
Hanging BusketTypAntimould oven	4
Mixture Machine	1
Plastic Injection machine	2
Plastic Injection Machine M-2 ZTB- 16BB	1
Plastic Injection Machine M-2 ZTB- 12BB	1
Two colors forming machine	1
Lasting Table	2
Net shoes table	5
Preparation table	1
Embossed Printing Table	5
Crasser Machine	2
Calofonia	12
Drill machine	2
Hand pushed trailer	2
Pulls Out Machine	21
bending machine	2
Thread Burner Machine	12
Iron Tool (small)	360
Cooling Tower	4
Cooling conveyor & heating conveyor	2
Assaimbly Line	1
Finishing Line with hot & cool	4
Compresor Machine	6
Bias Roller Machine	2
Bias-Cutter Machine	1
Lanying Three Position Pressing Machine	1
Tocker arm Machine	5
Shank BoadSkyving Machine	1
Trimming stitching machine	37
Zigzag stitching machine	88
Latex Coating Machine 103	8
Bonding Machine	3

Besides these assets we have also found other assets like Furniture & Fixture, Vehicles, Substation, Electrical Installation & Equipment, Generator, Office Equipment, Fire Equipment, Air Conditions and Air Cooler and Others.

It is also mentionable here that during our visit, we also checked Inventory register and roster (Workers' duty register) and found satisfactory. We also noticed that all machineries of FSL are in good condition and running well.

Signboard:

The signboard of the Company is well displayed at the registered office and factory premises and there are no other Office/Factory within the said factory premises.

Sd/-
Md. Salauddin Sikder FCMA
CEO & Managing Director
Imperial Capital Limited

Sd/-
Sheikh Mortuza Ahmed
Managing Director
Prime Bank Investment Limited

- (xiv) If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with;

The Company has no intellectual property right or intangible asset.

- (xv) Full description of other properties of the issuer.

Details of the Factory Building:

No. of Buildings	Buildings Description	Type (Brick/Tin/Prefabricated Steel)	Total Building Area Each floor (sft)	Usage (sft)
Building-1	Two storied Office Building	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	4,830	9,660
Building-2	Three storied Building, ground floor, 1 st floor full & 2 nd floor partly complete (4,044 sft) completed. Per floor area 30,983 sft.	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC- Slab with Beam, RCC-Stair, RCC-Lintel, Brick Wall, Plaster, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	30,983	66,010
Building-3	One Storied Substation Building	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall Plaster, Wall Paint, Inside side, Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window.	800	800
Building-4	One Storied Raw Material Store	RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall- Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window	3,200	3,200

Building-5	One Storied Generator Water House	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Wall Paint, Inside wall-Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window	140	140
Building-6	One Storied Generator Room	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall-Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	493	493
Building-7	One Storied Lamination Room	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Slab with Beam, RCC-Lintel, Brick Wall, Plaster, Floor Tiles, Wall Paint, Inside wall-Plastic Paint, Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	786	786
Building-8	One Storied Raw Materials store (Chemical)	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle, Brick Wall, Plaster, Wall Paint, Inside wall-Plastic Paint , Outside Wall- Weather Coat, Thai Aluminum & 5mm Glass in window, Industrial Door, M.S Grill in Window.	450	450
Building-9	One Storied Dice Section	RCC-Footing & Short Column, RCC-Grade Beam, RCC-Floor Slab, RCC-Pillar, RCC-Lintel, Teen Shed Roof with M.S angle , Brick Wall, Plaster, Floor Tiles, Wall Paint ,Inside wall- Plastic Paint, Outside Wall-Weather Coat ,Thai Aluminum & 5mm Glass in window , Industrial Door, M.S Grill in Window	340	340

Office Building:

1,503.13 sft floor in the name of the company at Moon Island (Suit #C-3), Plot No-34 & 36, Road#8, Block E, Niketon, Gulshan-1, Dhaka 1212, Bangladesh.

Details of Vehicles:

The Company at present owns 3 vehicles.

f) Plan of Operation and Discussion of Financial Condition:

(ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

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

Revenue and Results from operation:

Particulars	29-Feb-2016 (9 Months)	Amount in Taka				
		31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
(A) Turn Over	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-
(B) Cost of goods sold	608,554,442	753,608,282	615,079,861	425,266,701	151,392,028	-
(C) Gross Profit (A-B)	130,060,806	161,880,416	130,788,579	89,355,994	30,766,248	-
(D) Operating Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	-
Administrative Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	-
(E) Profit from Operation (C-D)	98,949,958	120,962,970	96,602,326	66,960,392	25,813,260	-
(F) Financial Expenses	5,570,060	7,857,570	7,723,955	3,296,398	21,610	-
(G) Foreign Exchange Gain/(Loss)	(32,083)	-	-	-	-	-
(H) Profit before Income Tax (E-F+G)	93,347,815	113,105,400	88,878,371	63,663,994	25,791,650	-
(I) Provision for taxation	16,335,868	19,793,444	7,379,273	3,247,023	830,756	-
Current Tax Expense	11,773,474	10,629,616	7,379,273	3,247,023	830,756	-
Deferred Tax Expense	4,562,394	9,163,828	-	-	-	-
(J) Profit for the Year (H-I)	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income for the Year	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	-

Statement of Financial Position:

Particulars	Amount in Taka					
	29-Feb-2016 (9 Months)	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
ASSETS						
A: Non Current Assets	654,760,405	658,826,978	502,703,530	402,778,597	267,671,827	109,638,221
Property, Plant & Equipment	620,472,553	619,572,839	502,703,530	402,778,597	267,671,827	34,589,640
Capital Work in Progress	34,287,852	39,254,139	-	-	-	73,710,567
Preliminary Expenses	-	-	-	-	-	1,338,014
B: Current Assets	561,209,373	531,244,496	326,995,807	281,898,921	81,117,497	1,041,779
Inventories	208,291,382	172,754,228	117,390,583	107,162,733	35,788,661	-
Trade and other receivables	331,297,796	313,467,591	187,382,015	165,767,061	43,090,663	-
Advance, Deposits and Prepayments	11,231,893	35,872,789	14,662,270	7,910,747	1,488,576	-
Cash and Cash Equivalents	10,388,302	9,149,888	7,560,939	1,058,380	749,597	1,041,779
Total Assets (A+B)	1,215,969,778	1,190,071,474	829,699,337	684,677,518	348,789,324	110,680,000
EQUITY AND LIABILITIES						
C : Shareholder's Equity	1,030,990,701	305,801,428	167,376,963	85,877,865	25,460,894	500,000
Share Capital	750,000,000	96,150,000	5,500,000	500,000	500,000	500,000
Retained Earnings	280,990,701	209,651,428	161,876,963	85,377,865	24,960,894	-
D : Non-Current Liabilities	56,932,336	712,381,898	552,810,991	523,413,431	306,174,000	110,180,000
Long Term Loan	19,668,623	25,830,579	30,880,991	17,639,431	-	-
Deferred Tax Liability	37,263,713	32,701,319	-	-	-	-
Share Money Deposit	-	653,850,000	521,930,000	505,774,000	306,174,000	110,180,000
E : Current Liabilities	128,046,741	171,888,148	109,511,383	75,386,222	17,154,430	-
Current Maturity of Long Term Loan	3,742,952	4,915,577	2,433,090	2,020,569	-	-
Short Term Borrowings	24,270,331	28,315,316	33,576,107	20,408,382	-	-
Trade and Other Payable	100,033,458	138,657,255	47,398,227	37,512,253	11,376,235	-
Creditors & Accruals	-	-	21,118,923	12,174,030	5,778,195	-
Profit (Interest) Payable	-	-	4,985,036	3,270,988	-	-
Total Liabilities (D+E)	184,979,077	884,270,046	662,322,374	598,799,653	323,328,430	110,180,000
Total Equity and Liabilities (C+D+E)	1,215,969,778	1,190,071,474	829,699,337	684,677,518	348,789,324	110,680,000

Statement of Changes in Financial Position:

For the Period Ended 29 February, 2016 and for the Year Ended 31May, 2011 to 31 May, 2015:

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on May 31, 2011	500,000	-	110,180,000	110,680,000
Balance as on May 31, 2012	500,000	24,960,894	306,174,000	331,634,894
Balance as on May 31, 2013	500,000	85,377,865	505,774,000	591,651,865
Balance as on May 31, 2014	5,500,000	161,876,963	521,930,000	689,306,963
Balance as on May 31, 2015	96,150,000	209,651,428	653,850,000	959,651,428
Balance as on Feb 29, 2016	750,000,000	280,990,701	-	1,030,990,701

Statement of Cash Flows:

Particulars	Amount in Taka					
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
Cash Flow From Operating Activities:						
Collection from Turnover	720,752,960	789,403,122	724,253,486	391,946,297	139,067,613	-
Payment to suppliers, Employees and Others	(670,926,934)	(742,988,830)	(615,570,985)	(468,990,308)	(163,581,514)	-
Payment to Suppliers	(561,869,809)	-	-	-	-	-
Payment to Employees	(80,591,085)	-	-	-	-	-
Payment to Others	(28,466,040)	-	-	-	-	-
Payment for Preliminary Expenses	-	-	-	-	-	(1,338,014)
Cash Generated from Operation	49,826,026	46,414,292	108,682,501	(77,044,011)	(24,513,901)	(1,338,014)
Income Tax paid	(14,648,579)	(5,072,337)	(5,792,887)	(3,130,142)	(830,756)	-
Payment for financial Expenses	(5,570,060)	(7,857,570)	(6,009,907)	(25,410)	(21,610)	-
Net cash flow from Operating activities	29,607,388	33,484,385	96,879,707	(80,199,563)	(25,366,267)	(1,338,014)
Cash Flow From Investing Activities:						
Acquisition of Property Plant and Equipment	(2,701,556)	(160,397,546)	(133,354,953)	(159,160,036)	(170,919,915)	(34,589,640)
Payment for Capital Work in Progress	(34,287,852)	(39,254,139)	-	-	-	(73,710,567)
Received/(Payment) of Advance for Share of Bangladesh Shoes Industries Ltd.	20,000,000	(20,000,000)	-	-	-	-
Net cash flow from Investing activities	(16,989,408)	(219,651,685)	(133,354,953)	(159,160,036)	(170,919,915)	(108,300,207)
Cash Flow From Financing Activities:						
Issuance of share capital	-	68,650,000	-	-	-	500,000
Received/(Repayment) in Short term loan from bank	(4,044,985)	(7,037,016)	13,167,725	20,408,382	-	-
Received/(Repayment) in Long term loan from bank	(7,334,581)	(5,776,736)	13,654,081	19,660,000	-	-
Received in share money deposit	-	131,920,000	16,156,000	199,600,000	195,994,000	110,180,000
Net Cash flow from financing activities	(11,379,566)	187,756,248	42,977,806	239,668,382	195,994,000	110,680,000
Net Increase/(Decrease) cash and cash equivalents	1,238,415	1,588,949	6,502,559	308,782	(292,183)	1,041,779
Opening cash and cash equivalents	9,149,888	7,560,939	1,058,380	749,597	1,041,779	-
Closing cash and cash equivalents	10,388,303	9,149,888	7,560,939	1,058,378	749,597	1,041,779

a) Internal and external sources of cash;

Particulars	Period ended (9 Month)	Year ended				
	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Internal Sources of Cash						
Share Capital	750,000,000	96,150,000	5,500,000	500,000	500,000	500,000
Retained Earnings	280,990,701	209,651,428	161,876,963	85,377,865	24,960,894	-
Total	1,030,990,701	305,801,428	167,376,963	85,877,865	25,460,894	500,000
External Sources of Cash						
Long Term Loan	19,668,623	25,830,579	30,880,991	17,639,431	-	-
Share Money Deposit	-	653,850,000	521,930,000	505,774,000	306,174,000	110,180,000
Current Maturity of Long Term Loan	3,742,952	4,915,577	2,433,090	2,020,569	-	-
Short Term Borrowings	24,270,331	28,315,316	33,576,107	20,408,382	-	-
Total	47,681,906	712,911,472	588,820,188	545,842,382	306,174,000.00	110,180,000.00
Grand Total	1,078,672,607	1,018,712,900	756,197,151	631,720,247	331,634,894	110,680,000

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

FSL has no other material commitments for capital expenditures except for those mentioned in the Utilization of IPO proceeds in this prospectus.

c) Causes for any material changes from period to period in revenues, 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.

(As per Audited Accounts)

Particulars	Period ended (9 Months)	Year ended				
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
Turn Over	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-
Cost of Sales	608,554,442	753,608,282	615,079,861	425,266,701	151,392,028	-
Operating Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	-
Net Profit After Tax	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	-

Causes for changes:**Revenues:**

Production capacity has been increased in every year by installing plant and machinery. Resultant, period to period changes in revenues have been arisen.

Cost of goods sold:

Increase of cost of goods sold in period to period is in the line with sales volume.

Other operating expenses:

Increase of operating expenses in period to period is in the line with production and sale volume.

Net income:

Net income increase in period to period is in line with sales volume.

d) Any seasonal aspects of the issuer's business;

No seasonal aspects can adversely affect the business of FSL.

e) 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 of human being.

f) Any assets of the company used to pay off any liabilities;

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

g) Any loan taken from or given to any related party or connected person of the issuer with details of the same;

The Company did not take or give any loan from or to any related party or connected person of the issuer.

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer;

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.

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

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

j) 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. Updated income tax status for the last 5 years or from commercial operation, which is shorter;**Value Added Tax (VAT):**

There is no applicable VAT for the Company as it is 100% export oriented shoes Company.

Customs Duty or other tax liability

Custom duty is not applicable for the company since the Company has bonded warehouse license. There is no custom duty or other tax liability of the Company as on February 29, 2016.

Contingent Liability:

There exists no situation involving FSL 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.

Income Tax:

Year wise Income Tax status of the Company is depicted below:

Accounting year	Assessment Year	Assessment Status
May 2011	2011-2012	Income tax return has been submitted under section U/S 82BB. No revenue transaction has been made during the year.
May 2012	2012-2013	As per demand notice tax liability for the Company was Tk. 1,154,383.00. The Company paid Tk. 830,756.00 as source tax as per section 53BB and Tk. 330,635.00 (including Tk. 7,006.00 fine for being late assessment) through pay order.
May 2013	2013-2014	As per demand notice tax liability for the Company was Tk. 3,851,152.00. The Company paid Tk. 3,130,142.00 as source tax as per section 53BB and Tk. 721,010.00 through pay order.
May 2014	2014-2015	As per demand notice tax liability for the Company was Tk. 7,638,969.00. The Company paid Tk. 5,792,887.00 as source tax as per section 53BB and Tk. 1,846,082.00 through pay order.
May 2015	2015-2016	Income Tax Return is submitted and assessment is under process.

- k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected;**

The Company has no financial commitment, including lease commitment; during the past five years except factory land.

However, the corporate office of the Company is established in its own property but was in a rented space since 30 November 2014 under the following condition:

Address	Period	Rent p/m
Moon Island, Suite C-3, Plot: - 34 & 36, Road-08, Block-E, Niketon, Gulshan-1, Dhaka-1212.	01 September 2013 to 30 November 2014	Tk. 43,600

- l) Details of all personnel related schemes for which the company has to make provision for in future years;**

The Company has established a short-term employee benefits including bonus, group insurance (insured by Takaful Islami Insurance Limited) for the welfare of its workers.

m) Break down of all expenses related to the public issue;

Sl.	Particulars	Basis	Amount in BDT (Approx.)	
A.	MANAGERS TO THE ISSUE FEES			2,530,000
1	Manager to the Issue fee (Imperial Capital Ltd. Tk.19.00 Lac and Prime Bank Investment Ltd. Tk.3.00 Lac)	1% on the public offer amount or Tk. 03.00 million whichever is lower.	2,200,000	
2	VAT against Issue Management Fees	15% of issue management fees	330,000	
B.	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES			4,180,000
3	Prospectus Submission Fees to DSE & CSE	Fixed	100,000	
4	DSE and CSE Annual Fee	Fixed	970,000	
5	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 50 thousand maximum Tk. 1 Crore for each exchanges)	3,110,000	
C.	BSEC FEES			930,000
6	Application fee	Fixed	50,000	
7	Consent fee	fee @ 0.40% on entire offer	880,000	
D.	IPO RELATED FEES			635,000
8	Underwriting commission (0.50%)	Commission @ 0.50% on Underwritten Amount	385,000	
9	Auditors Certification fees	At Actual	250,000	
E.	CDBL FEES AND EXPENSES			754,000
10	Security Deposit	At Actual	500,000	
11	Documentation fee	At Actual	2,500	
12	Annual fee	At Actual	100,000	
13	Connection Fee (TK. 500 per month* 12)	At Actual	6,000	
14	Initial Public Offering fee	@.015% of issue size+.015% of Pre-IPO paid up capital	145,500	
F.	PRINTING AND POST PUBLIC OFFER EXPENSES			8,631,000
15	Publication of prospectus	Estimated (to be paid at actual) 5,000 number of Prospectus)	800,000	
16	Abridge Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	750,000	
17	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	300,000	
18	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	800,000	
19	Data Processing and Share Software Charge	Estimated (to be paid at actual)	5,456,000	
20	Courier Expenses	Estimated (to be paid at actual)	205,000	
21	Administrative & Stationary Expense	Estimated (to be paid at actual)	320,000	
Grand Total				17,660,000

NB: Actual expenses may vary, if above mentioned estimates differ and will be adjusted accordingly.

- n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

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

- o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary/holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor;

The Company has no subsidiary nor it is operated under a holding company nor does it have any associate company. Hence, no transaction has taken place.

- p) **Financial Information of Group Companies:** following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

Sl.	Name of Companies	1) Date of Incorporation	2) Nature of Business	3) Equity Capital
1	Bangladesh Shoes Industries Ltd.	October 18, 2012	Manufacturing Shoes	2,500,000.00
2	Global Shoes Limited	July 04, 2013		52,500,000.00
3	Glorious Shoes Limited	July 13, 2015		10,000,000.00

- 4), 5), 6), 7), 8), 9), 10), & 11): Reserves, Sales, Profit after Tax, Earnings per share, Diluted Earnings per share, Net Asset Value, Status of Listing, Information regarding significant adverse factors, Has become sick or is under winding up:

This information for the above mentioned group companies are not applicable due to not in commercial operation.

12) The related business transactions within the group and their significance on the financial performance of the issuer⁶

There were no related business transactions within the group which have significance on the financial performance of the issuer except the following transaction:

Name of the Company	Relationship	Nature of Transaction	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Bangladesh Shoes Industries Ltd.	Common Director	Advance against investment in share	20,000,000	-	-	-	-

Other than the above, there was no transaction within the group.

13) Sales or purchase between group companies/subsidiaries/associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions

There were no transactions of Fortune Shoes Limited between group companies/subsidiaries/associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company.

14) Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

This information for the above mentioned group companies are applicable due to not in commercial operation.

15) A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

This is to certify that paid-up capital of Fortune Shoes Limited as on **May 31, 2016** was **Tk. 750,000,000** divided into **75,000,000** ordinary shares of **Tk. 10.00** each. The Company has changed the face value of its ordinary share from **Tk.100.00** to **Tk. 10.00** and converted into public limited company by passing a special resolution in its extra ordinary general meeting (EGM) held on **January 14, 2015** and necessary amendments in capital clause of the Memorandum and Articles of Association were made on accordingly. Thus, the paid up capital of the company comes to **Tk. 750,000,000** divided into **75,000,000** ordinary shares of **Tk. 10.00** each.

The paid up capital has been raised in the following mode;

Allotment Date	Form of Consideration (No. of Shares)					Face Value of Share (Tk.)	Paid-up Capital	
	In cash		Other than in cash	Bonus				
	Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split		Considering Face Value of Tk.100 each Share	Considering Face Value Tk.10 each Share after split			
14.03.2010 (At the time of Incorporation)	5,000	50,000	~	~	~	100	500,000	
30.11.2013 (1 st Allotment)	~	~	~	50,000	500,000	100	5,000,000	
30.11.2014 (2 nd Allotment)	~	~	~	220,000	2,200,000	100	22,000,000	
06.01.2015 (3 rd Allotment)	13,500	135,000	~	~	~	100	1,350,000	
08.01.2015 (4 th Allotment)	673,000	6,730,000	~	~	~	100	67,300,000	
08.07.2015 (5 th Allotment)	~	65,385,000	~	~	~	10	653,850,000	
Total								750,000,000

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

Place: Dhaka
Dated: June 09, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

16) 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 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.

17) Business strategies and future plans. Projected statement of financial position, compressive statement of income and earnings per share for the next three accounting years as per the issuers own assessment;

Business Strategies

FSL's key strategic objectives are to:

- 1) Maintain the buyers demand, choice and expectation to grab the overseas market.
- 2) Catch up the latest fashion prevailing around the world.
- 3) Ensure better quality of products in competitive price.

Future plans

In persuasion of aforesaid Strategies FSL and its experienced team have been working insisntently keeping in consideration future as well. FSL has a planned for Construction of Building, acquisition of Machinery & Equipment by using IPO proceeds.

Projected Financial Information (PFI) for next three years;

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		31-May-16	31-May-17	31-May-18
Capacity Increase	Capacity will be increased as new machineries will be introduced.	22%	17%	11%
Capacity Utilization	Capacity utilization will be almost same.	70-75%	70-75%	70-75%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	35%	15%	13%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2016.	76%	(12.46%)	14%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	183,371,339	181,127,785	48,000,000
Paid up Capital Increase	Paid up capital has been increased through capital raising of Tk. 653,850,000 in FY 2015-2016. Paid up Capital will be increased by Tk. 220,000,000 through IPO in the same Financial Year.	873,850,000	0	0
Long term Loan Repayment	Current portion of long term loan will be paid in 2016. Long term loan is expected to be paid fully in 2017.	4,915,577	25,830,579	0
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Statement of Financial Position (Projected)

Amount in Taka

Particulars	Audited	Projected		
	31-May-2015	31-May-2016	31-May-2017	31-May-2018
ASSETS				
A: Non-Current Assets	658,826,978	749,393,296	870,861,575	856,786,051
Property, Plant & Equipment	619,572,839	749,393,296	870,861,575	856,786,051
Capital Work in Progress	39,254,139	-	-	-
B: Current Assets	531,244,496	790,824,219	824,153,289	1,033,344,380
Inventories	172,754,228	314,498,405	336,513,293	420,641,617
Trade and other receivables	313,467,591	405,278,794	419,595,521	529,342,379
Advance, Deposits and Prepayments	35,872,789	58,373,173	53,768,347	66,933,914
Cash and Cash Equivalents	9,149,888	12,673,847	14,276,127	16,426,470
Total Assets (A+B)	1,190,071,474	1,540,217,515	1,695,014,863	1,890,130,431
EQUITY AND LIABILITIES				
C: Shareholder's Equity	959,651,428	1,302,782,785	1,453,383,380	1,628,415,263
Share Capital	96,150,000	970,000,000	970,000,000	970,000,000
Share Money Deposit	653,850,000	-	-	-
Retained Earnings	209,651,428	332,782,785	483,383,380	658,415,263
D: Non-Current Liabilities	58,531,898	52,073,533	39,306,670	45,485,517
Long Term Loan	25,830,579	21,218,029	-	-
Deferred Tax Liability	32,701,319	30,855,504	39,306,670	45,485,517
E: Current Liabilities	171,888,148	185,361,197	202,324,812	216,229,651
Current Maturity of Long Term Loan	4,915,577	4,612,550	-	-
Short Term Borrowings	28,315,316	36,809,911	40,490,902	43,730,174
Trade and Other Payable	138,657,255	143,938,736	161,833,910	172,499,477
Total Liabilities (D+E)	230,420,046	237,434,730	241,631,483	261,715,168
Total Equity and Liabilities (C+D+E)	1,190,071,474	1,540,217,515	1,695,014,863	1,890,130,431

Sd/-
Mrs. Rokshana Rahman
Managing Director

Sd/-
Md. Mohiuddin Mollah
Chief Financial Officer

Sd/-
Md. Riaz Haider
Company Secretary

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	Audited	Projected		
	31-May-2015	31-May-2016	31-May-2017	31-May-2018
(A) Turn Over	915,488,698	1,235,909,742	1,421,296,204	1,606,064,710
(B) Cost of goods sold	753,608,282	1,015,917,808	1,168,305,479	1,320,185,192
(C) Gross Profit (A-B)	161,880,416	219,991,934	252,990,724	285,879,518
(D) Operating Expenses	40,917,446	72,029,378	63,053,784	71,881,314
Administrative Expenses	40,917,446	72,029,378	63,053,784	71,881,314
(E) Profit from Operation (C-D)	120,962,970	147,962,556	189,936,940	213,998,204
(F) Financial Expenses	7,857,570	9,350,508	8,163,498	6,900,228
Profit before Income Tax	113,105,400	138,612,048	181,773,442	207,097,976
Provision for taxation	19,793,444	15,480,691	31,172,847	32,066,093
Current Tax Expense	10,629,616	17,326,506	22,721,680	25,887,247
Deferred Tax Expense/ (Income)	9,163,828	(1,845,815)	8,451,167	6,178,846
Profit for the Year	93,311,956	123,131,357	150,600,595	175,031,883
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Year	93,311,956	123,131,357	150,600,595	175,031,883

Sd/-
Mrs. Rokshana Rahman
 Managing Director

Sd/-
Md. Mohiuddin Mollah
 Chief Financial Officer

Sd/-
Md. Riaz Haider
 Company Secretary

q) Discussion on the results of operations shall inter-alia contain the following:

1) A summary of the past financial results after adjustments as given in the auditor's report containing significant items of income and expenditure;

Particulars	Period ended (9 Month)	Year ended				
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
Non-Current Assets	654,760,405	658,826,978	502,703,530	402,778,597	267,671,827	109,638,221
Current Asset	561,209,373	531,244,496	326,995,807	281,898,921	81,117,497	1,041,779
Shareholders' Equity	1,030,990,701	305,801,428	167,376,963	85,877,865	25,460,894	500,000
Long Term Loan	19,668,623	25,830,579	30,880,991	17,639,431	-	-
Current Liabilities	128,046,741	171,888,148	109,511,383	75,386,222	17,154,430	-
Turnover	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-
Gross Profit	130,060,806	161,880,416	130,788,579	89,355,994	30,766,248	-
Net profit before tax	93,347,815	113,105,400	88,878,371	63,663,994	25,791,650	-
Net Profit after tax	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	-

2) A summary of major items of income and expenditure;

Major items of income:

Particulars	Period ended (9 Month)	Year ended				
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
Turnover	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-

Major items of expenditure:

Particulars	Period ended (9 Month)	Year ended				
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
Cost of Sales	608,554,442	753,608,282	615,079,861	425,266,701	151,392,028	-
Operating Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	-
Financial Expenses	5,570,060	7,857,570	7,723,955	3,296,398	21,610	-

3) The income and sales on account of major products or services;

There is only one product of the Company, which contributed to the Company's total revenue.

4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;

The Company's has no other income.

5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations;

The Company has 9 (Nine) foreign customers. Among them FSL depends on 2 (Two) customers namely Programme International Co Ltd. and Theo Henkelman Schoenen Bv.

Sl. No.	Customer Name	For the period ended 29 February, 2016	
		Turnover (Tk.)	%
1	Programme International Co Ltd.	332,759,794	45.05%
2	Theo Henkelman Schoenen Bv	182,634,391	24.73%
3	XTI Footwear Sl	39,890,676	5.40%
4	Comforta Nieuwkoop B.V.	25,238,293	3.42%
5	Dosenbach-Ochsner AG	27,845,405	3.77%
6	Theorema Scandinavia AB	36,099,505	4.89%
7	Van Haren Schoenen BV	29,615,392	4.01%
8	Town Shoes Limited Kodiak	35,748,548	4.84%
9	Gefbrueder Hammic GMBH	28,783,244	3.90%
Total		738,615,248	100.00%

There is no impact of foreign exchange rate fluctuations on the business for dependency on above mentioned customers.

6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.

The issuer has not followed any unorthodox procedure for recording sales and revenues.

- r) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Particulars	Period ended (9 Month)	Year ended				
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
Turnover	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	~
Less: Cost of Sales	608,554,442	753,608,282	615,079,861	425,266,701	151,392,028	~
Gross Profit	130,060,806	161,880,416	130,788,579	89,355,994	30,766,248	~
Less: Operating Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	~
Profit from Operation	98,949,958	120,962,970	96,602,326	66,960,392	25,813,260	~
Less: Financial Expenses	5,570,060	7,857,570	7,723,955	3,296,398	21,610	~
Less: Foreign Exchange Gain/(Loss)	(32,083)	-	-	-	-	~
Net Profit before Tax	93,347,815	113,105,400	88,878,371	63,663,994	25,791,650	~
Less: Current Tax Expense	11,773,474	10,629,616	7,379,273	3,247,023	830,756	~
Less: Deferred Tax Expense	4,562,394	9,163,828	-	-	-	~
Net Profit after Tax	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	~

Analysis of reasons for the changes in significant items of income and expenditure:

In the last few years, production capacity has been increased by installation of new machinery. As a result significant revenue has been increased in the year 2015.

- 1) **Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.**

The is no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, and discretionary reduction of expenses etc. however change in accounting policies is made regarding in case of depreciation on land development.

- 2) **Significant economic changes that materially affect or are likely to affect income from continuing operations;**

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

- 3) **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations;**

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 of human being.

- 4) **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known;**

Labor cost is one of the prime cost and it is reasonable in Bangladesh. As an exporter it is great opportunity for us. We are aware of the fact that future is always uncertain that affect business and plan as well. Now the world is global village and any future labor price or material price may change. Revenue is always adjusted and follows the trend in line with production cost.

- 5) **The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices;**

We are expecting the increased net sales or revenue because of sales volume, new product line and sales price. It is forecasted that we will be able to increase our net sales or revenue around 21 percent on an average for the next 3 years.

- 6) **Total turnover of each major industry segment in which the issuer operated;**

As per data given by the Leather goods & Footwear Manufactures & Exporters Association of Bangladesh (LFMEAB) Export for Leather Footwear was USD 354.02 Million for Export Performance for July 2015-March 2016.

- 7) **Status of any publicly announced new products or business segment;**

The Company did not announce new products or business segment.

- 8) **The extent to which the business is seasonal.**

We have been exporting footwear to many countries around the world. So, it is not seasonal business.

- s) **Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc.**

The Company neither defaulted or rescheduled of its borrowings with financial institutions/banks nor converted any of its loans into equity till to date.

- t) **Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors;**

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

- u) **Injunction or restraining order, if any, with possible implications;**

There was no injunction or restraining order from any Court of Law or competent authority during the entire life of the Company's business.

- v) **Technology, market, managerial competence and capacity built-up;**

We have been using modern Technology. We have modern machinery which are used to produce good quality products. Managements are capable enough to deal with enhancing the capacity of the overall phenomenon of the business capacity.

- w) **Changes in accounting policies in the last three years;**

The management of the Company has not change any accounting policies in the last three years, except deferred tax and depreciation on land development.

- x) **Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months; Statement by the directors whether there have arisen any circumstances since the date of the last financial statements which materially and adversely affect the trading or profitability of the issuer, or the value of its assets, or its ability within the next twelve months;**

Statement regarding significant developments subsequent to the last financial year

In our opinion, there have no such circumstances arisen since the date of the last financial statements as disclosed in the prospectus which materially and adversely affect or is likely to affect the trading or profitability of the Fortune Shoes Limited or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-

Md. Mizanur Rahman
Chairman

Sd/-

Mrs. Rokshana Rahman
Managing Director & Director

Sd/-

Md. Robiul Islam
Director

Sd/-

Md. Amanur Rahman
Director

Sd/-

Md. Ruhul Amin Molla
Independent Director

- y) **If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;**

Period ended duly authenticated audited financial statements have been incorporated in the prospectus.

- z) **Factors that may affect the results of operations.**

There are no such factors that may affect the results of operations.

CHAPTER (VII): MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

(a) Overview of business and strategies:

Overview of business:

Furtune Shoes Limited was incorporated on 14 March, 2010 vide registration no. CH-7590/10 as a private limited company by the Registrar of Joint Stock Companies & Firms in Bangladesh under the Companies Act 1994. The company changed its name from "Furtune Shoes Ltd." to "Fortune Shoes Ltd." on December 29, 2014. Further the Company Converted into public Limited Company on January 14, 2015 and split of Share value from Tk. 100 to Tk. 10 dated on January 14, 2015.

The Company started its commercial operation on September 07, 2011.

The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc.

There is no subsidiary company of Fortune Shoes Limited.

Business strategies:

Business strategy is always changing phenomenon of the business. Strategy is influenced by macro and micro variable. As we export footwear, we have to maintain the buyers demand, choice and expectation to grab the overseas market. We also try to catch up the latest fashion prevailing around the world. In addition, it is our prime focus to ensure better quality of products in competitive price.

(b) SWOT Analysis:

A SWOT analysis is a structured planning method that helps to evaluate the strengths, weaknesses, opportunities and threats involved in a business venture. It identifies the internal and external factors that affect business venture. Strength and Weakness are evaluated with internal factors whereas Opportunity and Threat are evaluated by external factors. The SWOT analysis of the company is as follows:

Strengths

1. Quality Products
2. Modern Machineries
3. Market Share
4. Export

Weaknesses

1. Non-existence of Brand
2. Innovation of new design
3. No existence of Local Market

Opportunities

1. Government Support
2. Reasonable labor price
3. Tax Exemption

Threats

1. Intense competition
2. International Market Demand
3. Political unrest
4. Exchange Rate Fluctuation
5. Only 9 customers to whom all sales are made

Strengths

1. Quality Products: As we export our products, we have to maintain producing quality products that increase our sales volume over the years.
2. Modern Machineries: We have been using modern machineries that increase our productivity.
3. Market Share: Our market share has been increasing rapidly.
4. Export: We have been exporting in different countries.

Weaknesses

1. Non-existence of Brand: We have not been developed yet as Brand Company.
2. Innovation of new design: Innovating of new design is complicated.
3. No existence of local market: As we export, we have any local market developed yet.
4. Only 9 customers to whom all sales are made.

Opportunity

1. Government Support: There is government support to promote export.
2. Reasonable Labor price: Our industry is labor-intensive and reasonable labor price has huge advantage for cost minimizing that helps us competitive edge over our competitor.
3. Tax Exemption: As the company is 100% export oriented Company, it has been enjoying 50% Tax exemption on its turnover.

Threat

1. Intense Competition: There is rivalry among the competitors to get the market share as maximum as possible.
2. International Market Demand: We are exporting our good in overseas market. Hence, international market demand influences our export.
3. Political Unrest: In our country we have to experience with political unrest.
4. Exchange Rate Fluctuation: If Taka appreciates against dollar, Dollar fluctuation loss is incurred. However, Exchange rate remains stable over the last 2/3 years because of initiatives taken by the Bangladesh Bank.
5. Only 9 customers to whom all sales are made.

(c) Analysis of the financial statement of last five years:

Sl.	Particulars	Period ended (9 Months)	Year ended				
		29.02.2016	31.05.2015	31.05.2014	31.05.2013	31.05.2012	31.05.2011
1	Turnover	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-
2	Other Income	-	-	-	-	-	-
3	Total Income	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	-
4	Cost of Material	510,622,665	614,315,012	497,923,514	350,377,817	123,724,252	-
5	Finance cost and Bank Charge	5,570,060	7,857,570	7,723,955	3,296,398	21,610	-
6	Depreciation Expenses	38,281,035	43,528,236	33,430,023	24,053,266	11,548,295	-
7	Amortization Expenses	-	-	-	-	-	-
8	Other Expenses	-	-	-	-	-	-
9	Changes of Inventories	35,537,154	55,363,645	10,227,850	71,374,072	35,788,661	-
10	Net Profit before Tax	93,347,815	113,105,400	88,878,371	63,663,994	25,791,650	-
11	Net Profit after Tax	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	-
12	EPS	1.03	9.70	148.18	1,208.34	499.22	-

Face Value Considering Tk. 10.00 and share Split date 14/01/2015

Reason of Fluctuation:**Revenue:**

The company installed modern machineries in last five years in order to increase production capacity. As a result, production increased as well as turnover increased. Through installation of new different types of modern machineries, the company has been able to produce different types of products as well as to create the market of new products. So increase of turnover of the company is relevant.

Other Income:

There is no other income during last 5 years.

Total Income:

Since Revenue is increased, so naturally total income is increased.

Cost of Materials:

We think the costs of materials to revenue are consistent over the years.

Finance Cost and Bank Charge:

The company has taken short term and long term loan from bank in last three years and nine months for importing raw materials, constructing factory building and also procuring new machineries. So the finance cost and bank charge increased and the trend is relevant to the production and also consistent with the revenue.

Depreciation and Amortization:

We think the increase of depreciation is relevant with the procurement and installation of machineries. No significant changes have been occurred.

The company did not amortize any of its capital expenditure during the last five years.

Other Expenses:

The company did not incur any other expenses other than regular expenses during the last five years

Changes of inventory:

There has been increasing of installed capacity and sales volume over the year. The demand for our products is also increasing. So, we have to maintain sufficient amount of inventory in order to meet the sales order. Thus inventory is increasing year to year.

Net profit before and after Tax and Earnings per Share

We think that the growth of net profit before and after tax is consistent with the growth of the revenue. No unusual changes have been occurred during the last five years on the above matters.

Earnings per Share are properly calculated through using weighted average number of ordinary shares for each year.

(d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's 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 of human being.

(e) Trends or expected fluctuations in liquidity:

There are no trends or expected fluctuations in liquidity.

(f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

There are no off-balance sheet arrangements those have or likely to have a current or future effect on financial condition.

CHAPTER (VIII): DIRECTORS AND OFFICERS

a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

Name	Father's Name	Age (Years)	Residential address	Educational Qualification	Experience (Years)	Position	Name of the Institutions and Duration for Nominated Director
Md. Mizanur Rahman	Late Abdul Aziz Mollah	43	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	M.Sc.	20	Chairman	-
Mrs. Rokshana Rahman	Md. Sultan Ahmed Sharif	33	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	H.S.C	6	Director& MD	-
Md. Amanur Rahman	Late Abdul Aziz Mollah	35	Vill-West Voterdia P.O.-Voterdia P.S.- Babuganj Dist: -Barisal.	Marine Engineer	6	Director	-
Md. Robiul Islam		28		M. Com.	6	Director	-
Md. Ruhul Amin Molla	Late Mohosin Uddin Molla	51	Flat-11B, 41/A, Zigatola Zenith, Zigatola, West Dhanmondi, Dhaka.	M. Com. (Finance)	20	Independent Director	-

b) Date of first Directorship and Expiry of Current Tenure of the directors:

SL	Name of the Director	Position	Date of first Directorship	Date of Expiration of Current term
1	Md. Mizanur Rahman	Chairman	March 14, 2010	November 30, 2016
2	Mrs. Rokshana Rahman	Director& MD	March 14, 2010	November 30, 2017
3	Md. Amanur Rahman	Director	March 14, 2010	November 30, 2016
4	Md. Robiul Islam	Director	March 14, 2010	November 30, 2017
5	Md. Ruhul Amin Molla	Independent Director	January 17, 2016	-

c) Name of Interest and Involvement in other business/organization of directors:

SL	Name	Designation in FSL	Directorship/Sponsorship/Ownership with other companies	Position
1	Md. Mizanur Rahman	Chairman	Bangladesh Shoes Industries Limited	Chairman
			Global Shoes Limited	
			Glorious Shoes Limited	
2	Mrs. Rokshana Rahman	Managing Director	~	~
3	Md. Amanur Rahman	Director	~	~
4	Md. Robiul Islam	Director	~	~
5	Md. Ruhul Amin Molla	Independent Director	~	~

d) Statement of if any of the directors of the issuer are associated with the securities market in any manner. If any director of the Issuer company is also a director of any issuer of other listed securities during last three years then dividend payment history and market performance of that issuer;

None of the Directors are involved in securities market and not involved with other listed securities during last three years.

e) Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:

Family relationship among directors:

SL	Name	Designation	Relationship
1	Md. Mizanur Rahman	Chairman	Husband of Mrs. Rokshana Rahman & brother of Md. Amanur Rahman and Md. Robiul Islam.
2	Mrs. Rokshana Rahman	Managing Director	Wife of Md. Mizanur Rahman and sister-in-law of Md. Amanur Rahman and Md. Robiul Islam.
3	Md. Amanur Rahman	Director	Brother of Md. Mizanur Rahman & Md. Robiul Islam and brother-in-law of Mrs. Rokshana Rahman.
4	Md. Robiul Islam	Director	Brother of Md. Mizanur Rahman & Md. Amanur Rahman and brother-in-law of Mrs. Rokshana Rahman.

Family relationship among directors and top five officers of the Company:

SL	Name	Position	Executive Post	Relationship
1	Mrs. Rokshana Rahman	Director	Managing Director	Wife of Md. Mizanur Rahman and sister-in-law of Md. Amanur Rahman and Md. Robiul Islam.
2	Md. Amanur Rahman	Director	Director (HR)	Brother of Md. Mizanur Rahman & Md. Robiul Islam and brother-in-law of Mrs. Rokshana Rahman.
3	Md. Robiul Islam	Director	Director (Production)	Brother of Md. Mizanur Rahman & Md. Amanur Rahman and brother-in-law of Mrs. Rokshana Rahman.

There is no family relationship among any of the directors and any of the top five employees of the company except mentioned above.

f) Brief description of other businesses of the directors:

Sl. No.	Name of Companies	Date of Incorporation	Nature of Business	Legal Status	Equity capital
1	Bangladesh Shoes Industries Limited	October 18, 2012	Manufacturing Shoes	Private Limited Company	2,500,000
2	Global Shoes Limited	July 04, 2013			52,500,000
3	Glorious Shoes Limited	July 13, 2015			10,000,000

g) Short bio-data of each director:

Md. Mizanur Rahman:*Chairman, Fortune Shoes Limited*

Md. Mizanur Rahman was born in May 10, 1973 in an illustrious family. His father is Late Abdul Aziz Mollah and mother is Rahima Begum and spouse is Rokshana Rahman. His residence address: Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka.

Md. Mizanur Rahman is the Chairman of *Fortune Shoes Limited*, also Chairman of Bangladesh Shoes Industries Limited, Global Shoes Limited and Glorious Shoes Limited. Mr. Md. Mizanur Rahman obtained M. Sc. from Chittagong University & has 20 years of Professional experience of shoes.

Mrs. Rokshana Rahman:*Managing Director, Fortune Shoes Limited*

Rokshana Rahman was born in 28 December, 1982 in an illustrious family of Khulna. Her father is Md. Sultan Ahmed Sharif, mother is Nur Jahan Begum and spouse is Md. Mizanur Rahman. Her residence address: Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka. She obtained HSC & has 6 years of professional experience of shoes manufacturing industry.

Md. Amanur Rahman:*Director, Fortune Shoes Limited*

Mr. Md. Amanur Rahman was born in 7 Feb, 1981 in an illustrious family of Babuganj, Barisal. His father is Late Abdul Aziz Mollah, mother is Rahima Begum and spouse is Mrs. Jannatul Fredousi. His residence address: Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj Dist: - Barisal, Bangladesh. Mr. Md. Amanur Rahman obtained Marine Engineering from D.G. Shipping Bangladesh. He has 6 years of professional experience of shoes manufacturing industry.

Md. Robiul Islam:*Director, Fortune Shoes Limited*

Md. Robiul Islam was born in 03 September, 1987 in an illustrious family of Babuganj Barisal. His father is Late Abdul Aziz Mollah, mother is Rahima Begum and spouse is Mrs. Popi Akhter. His residence address: Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj, Dist: -Barisal, Bangladesh. Md. Robiul Islam obtained M. Com from Barisal B M College & has 6 years of professional experience of shoes industry.

Md. Ruhul Amin Molla*Independent Director, Fortune Shoes Limited*

Md. Ruhul Amin Molla was born in April 22, 1965 in an illustrious family. His father is Late Mohosin Uddin Molla and mother is Late Rowshan Ara Begum. His residence address: Flat-11B,41/A, Zigatola Zenith, Zigatola, West Dhanmondi, Dhaka, Bangladesh. He completed his Masters of Commerce (M. Com) major in Finance from University of Dhaka.

h) Loan status of the issuer, its directors and shareholders who hold 5% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

- i) Name, position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the CEO, MD, CFO, CS, Advisers, Consultants and all Departmental Heads. If the Chairman, any director or any shareholder received any monthly salary than this information should also be included:

Sl.	Name	Position	Educational Qualification	Age (Year)	Date of Joining	Overall Experience	Previous Employment	Salary paid for the Financial Year
1	Mrs. Rokshana Rahman	Managing Director	H.S.C	33	17.01.2016	6 Yrs	-	180,000
2	Md. Amanur Rahman	Director (HR)	Marine Engineer	35	14.03.2010	6 yrs	-	240,000
3	Md. Mohiuddin Mollah	Chief Financial Officer	MBS (Accounting)	30	01.04.2015	5 Yrs	Shafiq Basak & Co.	100,000
4	Md. Riaz Haider	Company Secretary	MBS (Accounting)	30	01.12.2014	5 Yrs	M A Fazal & Co.	240,000
5	Md. Mahbubul Alam	GM (Commercial)	M.Com	43	01.06.2012	21Yrs	Abul Khair Group	360,000
6	Mr. Santosh Kumar	GM (Factory)	B.Sc. Engineer	44	08.11.2014	19Yrs	Bata	600,000
7	Shofiul Azam	DGM (Marketing)	B.Sc.	30	14.03.2011	5 Yrs	-	250,000
8	Abdul Aziz	Dyeing In charge	B.Sc. (Chemistry)	44	20.12.2014	22Yrs	Excelsior shoes Ltd.	250,000
9	Moshiur Rhman Azad	Finishing In Charge	B.A	42	02.10.2012	23Yrs	Excelsior shoes Ltd.	260,000
10	Habib Rhaman	Manager (Marketing)	M.Com	28	20.12.2012	4 Yrs	UFM	250,000
11	Md. Shahidul Islam	Manager (Admin)	B.S.S	34	01.10.2012	20yrs	Ittefaq Ltd.	264,000
12	Md. Robiul Islam	Director Production	M. Com.	28	14.03.2010	10 Yrs	-	180,000

- j) Changes in the key management persons during the last three years:

Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years.

Sl.	Name	Position	Department	Remarks	Date of Joining
1	Mrs. Rokshana Rahman	Managing Director	-	Newly appointed as Managing Director	17.01.2016
2	Md. Amanur Rahman	Ex- Managing Director	-	Resign	17.01.2016

It appears from above that; turnover of key management personnel is not high compare to the industry.

k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position:

Name	Father's Name	Age (Year)	Personal Addresses	Educational Qualification	Experience	Position/Post		Holding in other Venture
						Past	Present	
Md. Amanur Rahman	Late Abdul Aziz	35	Vill-West Voterdia P.O-Voterdia P.S- Babuganj Dist: - Barisal. Bangladesh.	Marine Engineer	6 Yrs	Director & MD	Director	Not involved in other venture
Md. Mizanur Rahman	Late Abdul Aziz	43	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	M. Sc	20 Yrs	Chairman	Chairman	Bangladesh Shoes Industries Ltd., Global Shoes Ltd. & Glorious Shoes Ltd.
Mrs. Rokshana Rahman	MR. Sultan Ahmed Sharif	33	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	HSC	6 Yrs	Director	MD & Director	Not involved in other venture
Md. Robiul Islam	Late Abdul Aziz	28	Vill-West Voterdia P.O-Voterdia P.S- Babuganj Dist: - Barisal. Bangladesh.	M.Com.	6 Yrs	Director	Director	Not involved in other venture
Md. Khosrul Islam	Late Abdul Aziz	41	Forkh Master bari, Vill-Isamoti, Post- Isamoti 4386, Shatkaniya Chittagong.	S.S.C	15 Yrs	Director	Sponsor	Not involved in other venture

- l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.

All the directors are sponsor except Independent Director.

- m) If the sponsors/directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed:

All the directors have adequate knowledge to carry out this line of business.

- n) Interest of the key management persons:

There is no other interest with the key management except the Mrs. Rokshana Rahman (Managing Director), Md. Robiul Islam (Director Production) and Md. Amanur Rahman (Director HR) who are getting remuneration.

- o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

Sl.	Name of Directors	Position	Executive Post	Pecuniary		non-pecuniary	
				Salary	Board Fee	Car Facilities	House Keeping
1	Md. Mizanur Rahman	Chairman	-	x	√	x	
2	Md. Amanur Rahman	Director	Director (HR)		√	x	
3	Md. Robiul Islam	Director	Director (Production)		√	x	
4	Mrs. Rokshana Rahman	Director	Managing Director		√	x	
5	Md. Ruhul Amin Molla	Independent Director	-	x	√	x	

- p) Number of shares held and percentage of shareholding (pre issue):

Sl.	Name of Directors	Position	No. of Shares Held	% of Holdings Pre-IPO
1	Md. Mizanur Rahman	Chairman	21,750,000	29.00%
2	Md. Amanur Rahman	Director	2,750,000	3.67%
3	Md. Robiul Islam	Director	2,750,000	3.67%
4	Mrs. Rokshana Rahman	Managing Director	2,750,000	3.67%
5	Md. Ruhul Amin Molla	Independent Director	-	0.0%
Total			30,000,000	40.01%

- q) Change in board of directors during last three years:

Sl.	Name of the Directors	Date of Joining	Date of retirement	Present Status as on 31.05.2016
1	Md. Khosrul Islam	14 March, 2010 (Date of Incorporation)	20 June, 2013	Sponsor Shareholder
2	Mrs. Rokshana Rahman	17 Jan, 2016	Continuing	Managing Director
3	Md. Ruhul Amin Molla	17 Jan, 2016	Continuing	Independent Director

- r) Director's engagement with similar business:

Md. Mizanur Rahman, the Chairman of the Company has involved with similar business, namely Global Shoes Limited, Bangladesh Shoes Industries Limited and Glorious Shoes Limited.

CHAPTER (IX): CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**(a) TO WHOM IT MAY CONCERN**

This is to certify that the Financial Statements of Fortune Shoes Limited furnished for our audit does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- (i) Any director or sponsor or executive officer of the issuer;
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;
- (iii) Any related party or connected person of any of the above persons;

Except the transactions described in the following table:

Name	Designation	29-Feb-16		31-May-15		31-May-14		31-May-13		31-May-12		31-May-11	
		Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee
Md. Mizanur Rahman	Chairman		5,000	-	6,000	-	4,000	-	6,000	-	5,000	-	-
Md. Amanur Rahman	Director Human Resource	180,000	5,000	240,000	5,000	240,000	6,000	216,000	6,000	180,000	6,000	-	-
Md. Robiul Islam	Director Production	135,000	5,000	180,000	5,000	180,000	5,000	144,000	5,000	120,000	5,000	-	-
Mrs. Rokshana Rahman	Managing Director	135,000	5,000	180,000	4,000	180,000	5,000	144,000	5,000	120,000	4,000	-	-
Sub Total		450,000	20,000	600,000	20,000	600,000	20,000	504,000	22,000	420,000	20,000	-	-
Advance against investment in share of Bangladesh shoes industries ltd.			-		20,000,000		-		-		-		-
Return of Advance from Bangladesh shoes industries ltd.			20,000,000		-		-		-		-		-
Allotment to Bangladesh shoes industries ltd.			-		1,500,000		-		-		-		-
Allotment to Global shoes ltd.			34,950,000		1,500,000		-		-		-		-

Mrs. Rokshana Rahman is present Managing Director and in the year 2011, 2012, 2013, 2014 and 2015 she was Director Human Resource.

Md. Amanur Rahman is present Director Human Resource and in the year 2011, 2012, 2013, 2014 and 2015 he was Managing Director.

Place: Dhaka
Date: June 09, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by 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;**

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by 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 except the transaction mentioned in CHAPTER (IX) (a).

- (c) 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, and present outstanding of such loan.**

No loan was taken or given from or to Directors or any person connected with the Directors of Fortune Shoes Limited.

CHAPTER (X): EXECUTIVE COMPENSATION

- (a) The total amount of remuneration/salary/perquisites 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	Name	Designation	Salaries for last accounting year May 31, 2015 (Taka)
1	Md. Mohiuddin Mollah	Chief Financial Officer	100,000
2	Md. Riaz Haider	Company Secretary	240,000
3	Santos Kumar	GM (Factory)	600,000
4	Mahabubul Alam	GM (Commercial)	360,000
5	Md. Shahidul Islam	Manager (Admin)	264,000

The joining date of Md. Mohiuddin Mollah, Chief Financial Officer and Md. Riaz Haider, Company Secretary is 01/04/2015 and 01/12/2014 respectively.

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

Sl.	Particular	Nature of Payments	Remuneration for last accounting year May 31, 2015 (Taka)
1.	Directors	Remuneration	360,000
2.	Managing Director	Remuneration	240,000
3.	Directors & Managing Director	Board Meeting fee	20,000
4.	Officers	Salary and Allowances	30,717,938

- (c) If any shareholder director received any monthly salary/perquisite/benefit it must be mentioned along with date of approval in AGM/EGM, terms thereof and payments made during the last accounting year:

Md. Amanur Rahman, Director HR; Md. Robiul Islam, Director Production and Mrs. Rokshana Rahman, Managing Director of FSL have been receiving remuneration since 2012 as per AGM held on 30 November, 2011.

- (d) The board meeting attendance fees received by the director including the managing director along with date of approval in AGM/EGM:

The board meeting attendance fees received by the director including the managing director are as follows:

Name & Designation	Attendance	Board Meeting Fee	Date of Approval in AGM
Md. Mizanur Rahman Chairman	6	6,000	30 November, 2011
Md. Amanur Rahman Director	5	5,000	
Md. Robiul Islam Director	5	5,000	
Mrs. Rokshana Rahman Director & Managing Director	4	4,000	
Md. Ruhul Amin Molla Independent Director	-	-	

- (e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the company and any of directors or officers regarding any future compensation to be made to them.

- (f) 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 substantially increasing remuneration to its directors and/or officers except for those that are paid as annual increment to their salaries.

(g) Any other benefit/facility provided to the above persons during the last accounting year:

No other benefit/facility (Car Facility, Housekeeping etc.) provided to the above persons during the last accounting year.

CHAPTER (XI): OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Company has no options granted to Directors, Officers or any other employees of the Company or to any other person who was not involved in the Company.

CHAPTER (XII): TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

(a) Benefits from the Company during last five years:

The Directors and subscribers to the memorandum have not received any benefits except remuneration and board meeting fees (in note 21.00 of the audited accounts) received by directors, directly or indirectly during the last five years.

(b) Directors and Subscribers' Assets to the Company:

The issuer also has not received any assets, other considerations from its Directors and subscribers to the memorandum except fund against allotment of shares.

CHAPTER (XIII): OWNERSHIP OF THE COMPANY'S SECURITIES

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership:

Sl.	Name of Shareholder	Address	BO IDs	Position	No. of Shares	(%)
						Pre-IPO
1	Md. Mizanur Rahman	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka.	1205150060674778	Chairman	21,750,000	29.00%
2	Md. Amanur Rahman	Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj, Dist: -Barisal, Bangladesh	1205150060675242	Director	2,750,000	3.67%
3	Md. Robiul Islam	Vill-West Voterdia, P.O.-Voterdia, P.S.-Babuganj, Dist: -Barisal, Bangladesh	1205150060675135	Director	2,750,000	3.67%
4	Mrs. Rokshana Rahman	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka.	1205150060676410	Managing Director & Director	2,750,000	3.67%
5	Md. Khosrul Islam	Forkh Master bari, Vill-Isamoti, Post-Isamoti 4386, Shatkaniya Chittagong.	1601880061156500	Sponsor Shareholder	5,000	0.01%
6	S.M Safiullah	Vill: Rajaguru, P.O: Babuganj-8210, Barisal.	1203940025962735	Shareholder	130,000	0.17%
7	Md. Muslim Mizi	House-2439, Vatar, Gulshan, Dhaka	1202610046727909	Shareholder	2,000,000	2.67%
8	Md. Samsul Haque	Vill-Volar Char, P.O-Tora Monsir Hat, P.S- Faridgonj, Chandpur.	1201510046890762	Shareholder	2,000,000	2.67%
9	Monir Hossain	36/1, North Begun Bari, Tejgaon, Dhaka.	1202610046727877	Shareholder	1,500,000	2.00%
10	Md. Khalilur Rahman	House-64, Road-1, Imambag, Khilgaon, Dhaka.	1201510046890754	Shareholder	1,500,000	2.00%
11	Md. Afzal Hossain Chowdhury	House-22/6/2/A, Modha Kunipara, Tejgaon I/A, Cox's Bazar.	1203710047501505	Shareholder	1,500,000	2.00%
12	Md. Rafiqul Islam	House-64, Road-1, Imambag, Khilgaon, Dhaka.	1203120049558285	Shareholder	1,500,000	2.00%
13	Mohammed. Morshed Alam	9/Ka, Monmohon Niogi Road, Pondot Para, Mymensingh.	1202610046727925	Shareholder	1,500,000	2.00%
14	Md. Jahangir Alam	House-52/B, Khalpara, Khilket, Dhaka.	1201510046890746	Shareholder	1,000,000	1.33%
15	Md. Delower Hossain	Vatar, Gulshan, Dhaka.	1202610046727917	Shareholder	1,000,000	1.33%
16	Md. Shahfiqul Islam	21/3, Mirpur (2nd Floor), Mirpur-12, Dhaka.	1202610046727893	Shareholder	1,000,000	1.33%
17	Al-Haj Md. Ramzan Hossain	Gawsia Dynasty, Flat-F/8, 109/1, Circuit House Road, Kakrila, Dhaka	1202320049784682	Shareholder	100,000	0.13%
18	Md. Ashfaquul Alam	House-3, Road-1, Block-E, Rampura Banasree, Dhaka	1202610009553974	Shareholder	100,000	0.13%
19	Md. Abbas Ali Khan	Flat-4 A, Polt-71/1, Road-11, Block-D, Niketon, Gulshan-1, Dhaka.	1201900043550138	Shareholder	100,000	0.13%

20	Global Shoes Ltd	House-127, Road-10, Block-C, Niketon, Gulshan-1, Dhaka	1201960053332061	Shareholder	3,645,000	4.86%
21	Bangladesh Shoes Industries Ltd	Kawnia, BSCIC Road, Barisal.	1201960052123000	Shareholder	150,000	0.20%
22	Shammi Akter (Shibli)	74/4, North Bashabo, Dhaka	1205150047103162	Shareholder	1,000,000	1.33%
23	Md. Matiur Rahman	Vill: Char Bahadurpur, P.O: Sujabad-8250, Muladi, Dist: Barisal.	1201960042223806	Shareholder	500,000	0.67%
24	Farzana Rahman	House:384, Flat:501, Road:10, Block: D, Bashundhara R/A.Dhaka	1205150047103154	Shareholder	1,650,000	2.20%
25	Ahmed Tawfiqur Rahman Arnab	House:384, Flat:501, Road:10, Block: D, Bashundhara R/A.Dhaka	1201960058384794	Shareholder	900,000	1.20%
26	Mollika Mitra	Ga-115, Mohakhali, Gulshan, Dhaka.	1204080061136557	Shareholder	300,000	0.40%
27	Zakera Parveen	Saptaneer, Officers Apartment, NHB-24, A-3, New Colony, Block-B, Lalmatia, Dhaka	1202800017398801	Shareholder	200,000	0.27%
28	Roksana Akter	House-64-65, Road-, Block-C, Mohanagar Project, West Rampura, Dhaka.	1204500045098444	Shareholder	50,000	0.07%
29	Anwar Ispat Limited	Baitul Hossain Building (14th Floor), 27, Dilkusha C/A, Dhaka-1000.	1205150021289581	Shareholder	2,000,000	2.67%
30	Bangladesh Finance and Investment Company Ltd.	Baitul Hossain Building, (2 nd Floor) 27 Dilusha, Dhaka-1000.	1205150002440950	Shareholder	500,000	0.67%
31	BD Finance Securities Limited	64, Motijheel C/A. (2 nd Floor), Dhaka-1000.	1205150043284418	Shareholder	500,000	0.67%
32	BD Finance Capital Holdings Ltd	64, Motijheel C/A. (2 nd Floor), Dhaka-1000.	1205150045165228	Shareholder	500,000	0.67%
33	S.M. Rezaul Hoque	Romapur, P.O-Aminbagh, P.S-Chatkhil, Noakhali.	1201900021661651	Shareholder	750,000	1.00%
34	Afsar uz Zaman	42/B-1, ABC Bay View. Road-3, Flat-C 1, North Khulshi, Chittagong	1204750000116935	Shareholder	1,200,000	1.60%
35	Runa Kashem	42/B-1, ABC Bay View. Road-3, Flat-C 1, North Khulshi, Chittagong	1204750014332193	Shareholder	1,000,000	1.33%
36	Mohammad Moniruzzaman	86, Panchlaish R/A, Chittagong.	1204750061184597	Shareholder	1,000,000	1.33%
37	Mohammad Khairul Anam Chowdhury	3685/C, Oxygen., Pathanpur, Baizid, Chittgong.	1204750033031254	Shareholder	1,000,000	1.33%
38	Md. Tazul Islam	Hazinagar, Sharulia, Demra, Dhaka.	1202830048267036	Shareholder	1,000,000	1.33%
39	Md. Kabiruddin Ahmed	Hazipur, Kachua, Chandpur.	1203040061488925	Shareholder	800,000	1.07%
40	Md. Hamid Ullah Khan	529/C, Khilgoan, Dhaka	1605550061066092	Shareholder	200,000	0.27%
41	Asif Iqbal Chowdhury	House-B-58/F-5, AGB Colony Motijheel, Dhaka	1605550059758671	Shareholder	700,000	0.93%

42	Shanzida Akther Khanam	3, Kobi Jashim Uddin Road, Kamlapur, Dhaka	1605550061065189	Shareholder	200,000	0.27%
43	Tasren Mujib	172, Shaheed Belayet Road, P. O:-Dhaka Cantonment, Dhaka-1206	1205150055073033	Shareholder	300,000	0.40%
44	Md. Saroar Hossain	House No# 252/2, Senpara Forbota, Mirpur, Dhaka-1216.	1605550061674266	Shareholder	400,000	0.53%
45	Homayra Binte Wali	House#40, Hazinagar Ideal Road, Sharulia, Demra, Dhaka.	1202830048324805	Shareholder	300,000	0.40%
46	Touhida Shirin	House/Holding-24, Vill/Road-1/3, Munshi Para, PO: Gaibanda-5700, Gaibanda Sadar, Gaibanda.	1202830048324920	Shareholder	300,000	0.40%
47	Md. Ahsanul Hoque	45, Bijoynagar, Dhaka.	1204500060616516	Shareholder	100,000	0.13%
48	Md. Tarequl Islam	Summit Green Palace, House No # 160, 4th Floor, Road# 01, Block- A, Mirpur-12, Dhaka-1216.	1202750003769587	Shareholder	100,000	0.13%
49	Md. Azizul Islam	House # 5, Road # 9, Mirpur-12, Dhaka.	1605550061679269	Shareholder	100,000	0.13%
50	Md. Faisal Rahmatullah Ferdous	243, Tilpa Para, Road-7, Khilgaon, Dhaka-1219	1202610061015364	Shareholder	100,000	0.13%
51	Md. Shamsul Alam	House-40/A, Dilluroad, New Eskaton, Ramna, Dhaka.	1205590052168963	Shareholder	1,000,000	1.33%
52	Shamima Akter	House#Tazul Islamer Bari, Hazinagar, Sharulia, Demra, Dhaka	1202830048268769	Shareholder	250,000	0.33%
53	Abdur Razzak	House-390/B, S.K. Valley P.O-Khilgaon, Dhaka-1219.	1203390034541484	Shareholder	205,000	0.27%
54	Zannatul Ferdouse	Zia Villa, 63/1, West Dhanmondi, Sankor, P.O-Mohammadpur, Dhaka-1207	1201960061146008	Shareholder	150,000	0.20%
55	Md. Mokhlesur Rahman	House-620, Road-06, Shaheen bag, Tejgaon, Dhaka-1215	1201980023602108	Shareholder	100,000	0.13%
56	Mrs. Rebeka Sultana	House-88/1, Road-Shibrampur, Pabna-6600	1201960061181534	Shareholder	100,000	0.13%
57	Md. Motier Rahman	House-15, Road-9/A, Dhanmondi, Dhaka	1204520047995032	Shareholder	25,000	0.03%
58	Sk. Sajib Ahmed	House-24, Road-6, Mirpur-6, Dhaka	1204520046291261	Shareholder	25,000	0.03%
59	Chowdhury Khaled Masood	House-36, Road-12, Block-F, Niketon, Gulshan-1, Dhaka.	1202610061007853	Shareholder	100,000	0.13%
60	Asad Chowdhury	8, Armani Street, Dhaka-1000	1203140045559919	Shareholder	50,000	0.07%
61	Tapan Kumar Roy	Flat-5/B, Masud Garden 22/16, Kheljee Road, Mohammadpur, Dhaka	1203800023669427	Shareholder	5,000	0.01%
62	Syed Iqbal Hossain	House-8/1, Block-D, Lalmatia, Dhaka-1207	1204070020769872	Shareholder	50,000	0.07%
63	Serajul Mostofa Al-Faruque	House:25, Road:2, Sector:3, Uttara, Dhaka	1201960061188362	Shareholder	50,000	0.07%
64	Md. Nurul Haque Talukder	House-382/2, Khandakar Road, West Jurain, Faridabad, Shampur, Dhaka.	1201930055115265	Shareholder	50,000	0.07%
65	Md. Shahabuddin	66/8, Kakrail Road, Romna, Dhaka	1201960061189027	Shareholder	100,000	0.13%
66	Mohammad Faisal	J-2, Ramna Apt. Complex, Boro Mogbazar, Dhaka-1000.	1201630021491598	Shareholder	50,000	0.07%

67	Md. Nurul Huda	26, Arjat Para, Mohakhali, Tejgoan, Dhaka.	1201960060739949	Shareholder	300,000	0.40%
68	Md. Nazmul Hasan	679, Jahan Box Lane, Moghbazar, Dhaka.	1201580032600621	Shareholder	100,000	0.13%
69	A.K.M. Zakir Hossain	Plot: 663, Block: F, Bashundhara R/A, Dhaka-1229.	1601880003715325	Shareholder	250,000	0.33%
70	Mohammad Jainal Abedin	12/A, Monipuripara, Shanshad Avenue, Dhaka-1215	1203710020413166	Shareholder	50,000	0.07%
71	Rifat Tanjir Rimi	Flat # 09, Building # 06, 95/ A/ 1, Monoar Sikder Apartment, Tali Office, Rayer Bazar, Dhaka.	1202140003913521	Shareholder	200,000	0.27%
72	Md. Mamun Ahmmed	House-51, Road-11, Block-E, Niketon, Dhaka	1202020010843541	Shareholder	100,000	0.13%
73	Md. Ashiqur Rahman	House-4/4, Block-C, Flat-1/A, Lalmatia, Dhaka-1207	1202610057685803	Shareholder	100,000	0.13%
74	Md. Moallem Hossain	78/1, Monipuripara, Tejgaon, Dhaka.	1203570056536533	Shareholder	10,000	0.01%
75	Md. Tofazzal Hossain Forhad	15/B, Flat-202, Road-93, Gulshan, Dhaka	1201960061156578	Shareholder	10,000	0.01%
76	Razia Sultana	House:797, Road: Sarkar vaban road, Ibrahimpur, Kafrul, Dhaka-1206	1201960061145999	Shareholder	250,000	0.33%
77	Hazara Khatun	Mymuna Villa, 528/A, Abdul Hamid Road, Fay's Lake, Khulshi, Chittagong	1201960001816967	Shareholder	500,000	0.67%
78	Salena Akter (Poly)	Razar Hat Nadirpar P.O: Pirojpur sadar, Pirojpur-8500, Pirojpur.	1202790017759537	Shareholder	300,000	0.40%
79	Ziaul Ahsan	Tahura Monjil, Village-Budio Para, P.O: Barisal, P.S: Kotwali, Dist: Barisal	1201960061145980	Shareholder	500,000	0.67%
80	Md. Nesar Uddin	936, Khairul Monzil, West Motherbari, Yesin Ali Lane, Ctg.	1201960032064919	Shareholder	200,000	0.27%
81	Md. Rasiduzzaman	Vill: Bahadupur, P.O: Sujabad, P.S: Muladi, Dist: Barisal	1205150054201081	Shareholder	10,000	0.01%
82	Mazeda Bugum	House-Nazrul Villa (3rd Floor), Chotopool, Agrabad, Chittagong	1203680060198970	Shareholder	20,000	0.03%
83	Md. Zafran Tareque Chowdhury	17-A/A, Mazar Road, 2nd Colony, Mirpur, Dhaka-1216	1202030055822510	Shareholder	10,000	0.01%
84	Mohammad Musa	86, Panchlaish R/A, Chittagong.	1204750012709151	Shareholder	1,000,000	1.33%
85	Feroza Begum	62/1, Purana Paltan, Dhaka	1201960061181526	Shareholder	50,000	0.07%
86	Md. Nasir Uddin	Flat-A-4, House No-2, Road-11, Tajmahal Road, Mohammadpur, Dhaka-1207	1202420056798434	Shareholder	50,000	0.07%
87	Rafeza Akhter	8/1, Block-D, Lalmatia, Dhaka-1207.	1204070002977406	Shareholder	50,000	0.07%
88	SK. Md. Fanafillah	Romapur, P.O-Aminbagh, P.S-Chatkhil, Noakhali.	1605420047139201	Shareholder	50,000	0.07%
89	A.T.M Fazlul Gani Siddiquee	House-8/1, Flat-7/A, Block-D, Lalmatia, Mohammadpur, Dhaka-1207.	1203010038090675	Shareholder	50,000	0.07%
90	Mir Md. Jainul Abedin Shebly	Zia Villa, 63/1, West Dhanmondi, Sankor, Dhaka-1207.	1205150055150387	Shareholder	50,000	0.07%
91	Jannatun Nessa	House-347/B, Taltola, Khilgaon, Dhaka	1205720059725609	Shareholder	50,000	0.07%

92	Md. Abul Hossain	House-73, Nayapaltan, Dhaka-1000.	1605420047147839	Shareholder	50,000	0.07%
93	Kazi Abu Taher	117/A, Rishikesh Das Road, Loxmibazar, Dhaka-1100	1204350055088828	Shareholder	50,000	0.07%
94	Md. Ghulam Hossain	125, Shantinagar, Paltan, Dhaka-1217	1201960061156586	Shareholder	100,000	0.13%
95	Md. Safiul Azam	House-80/1, Shayamoli R/A, Uttar Agrabad, Chittagong	1205150060674510	Shareholder	300,000	0.40%
96	Mrs. Reshma Akter	House-80/1, Shayamoli R/A, Uttar Agrabad, Chittagong	1205150060674529	Shareholder	300,000	0.40%
97	Md. Ferdous Jaman	House-2/8/B/1, Road-01, Tolarbagh, Mirpur, Dhaka-1216	1203710048456909	Shareholder	300,000	0.40%
98	Nazia Akter	House-36/1, North Begunbari, P.O-Dhaka Polytechnic Institute, Tejgaon I/A, Dhaka	1202610048464551	Shareholder	200,000	0.27%
99	Samaresh Banik	House-153, Flat-504, Crescent Road, P.O-New market, Dhanmondi, Dhaka-1205.	1204230033656585	Shareholder	250,000	0.33%
100	Md.Shamsul Haque	House-50, Road-1, Sector-9, Uttara, Dhaka.	1201690000776633	Shareholder	500,000	0.67%
	Total				75,000,000	100.00%

(b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

Sl	Name of Director	Address	Age	Experience	BO ID	TIN	No. of Share	Percentage (%)	Position held in other organization	
									other organization	Position
1	Md. Mizanur Rahman	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	43 yrs	20 yrs	1205150060674778	283772464591	21,750,000	Pre- IPO 29.00%	Global Shoes Ltd.	Chairman
									Bangladesh Shoes Industries Ltd.	Chairman
									Glorious Shoes Ltd.	Chairman
2	Md. Amanur Rahman	Vill-West Voterdia P.O-Voterdia P.S-Babuganj Dist: - Barisal. Country: Bangladesh,	35 Yrs	6 Yrs	1205150060675242	115441953542	2,750,000	Pre- IPO 3.67%	--	--
3	Mrs. Rokshana Rahman	Jamcon Montory, Flat: B-4, Plot: 295-296, Block-E, Bashundhara R/A, Dhaka	33 Yrs	6 Yrs	1205150060676410	417836194179	2,750,000	Pre- IPO 3.67%	--	--
4	Md. Robiul Islam	Vill-West Voterdia P.O-Voterdia P.S-Babuganj Dist:- Barisal. Bangladesh.	28 Yrs	6 Yrs	1205150060675135	630025267000	2,750,000	Pre- IPO 3.67%	--	--
5	Md. Ruhul Amin Molla	Flat-11B ,41/A, Zigatola Zenith, Zigatola, West Dhanmondi, Dhaka	51 Yrs	20 Yrs	1203260056900702	158907813978	-	Pre- IPO 0.00%	--	--

(c) The average cost of acquisition of equity shares by the directors certified by the auditors:

To Whom It May Concern

This is to certify that all the shares of Fortune Shoes Limited have been allotted in face value and in cash/bonus and the average cost of acquisition of equity by the directors is Tk. 10.00 each. Necessary particulars of shareholdings, allotment date and consideration are given below;

Date of Allotment	Md. Mizanur Rahman	Md. Amanur Rahman	Md. Robiul Islam	Mrs. Rokshana Rahman	Md. Ruhul Amin Molla	Consideration	Face value of Share (Tk.)
14-Mar-10 (Incorporation)	25,500	9,500	5,000	5,000	~	Cash	10.00
20-Jun-13	5,000	~	~	~	~	Cash (Transfer)	10.00
30-Nov-13	305,000	95,000	50,000	50,000	~	Bonus	10.00
30-Nov-14	1,342,000	418,000	220,000	220,000	~	Bonus	10.00
12-Feb-15	~	~	~	~	~	Cash	10.00
08-July-15	20,072,500	2,227,500	2,475,000	2,475,000	~	Cash	10.00
Total	21,750,000	2,750,000	2,750,000	2,750,000	~		~

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

Place: Dhaka
Date: 29 February, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors. In this connection, a statement to be included:

Md. Mizanur Rahman (Presently Director)

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
14-Mar-10	Cash	Ordinary Share	25,500	10.00	10.00	25,500	29.00%	22.42%	Own Source
20-Jun-13	Cash(Transfer)		5,000	10.00	10.00	30,500			
30-Nov-13	Bonus		305,000	10.00	10.00	335,500			
30-Nov-14	Bonus		1,342,000	10.00	10.00	16,77,500			
08-July-15	Cash		20,072,500	10.00	10.00	21,750,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

Md. Amanur Rahman (Presently Director)

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
14-Mar-10	Cash	Ordinary Share	9500	10.00	10.00	9,500	3.67%	2.84%	Own Source
30-Nov-13	Bonus		95,000	10.00	10.00	104,500			
30-Nov-14	Bonus		418,000	10.00	10.00	522,500			
08-July-15	Cash		2,227,500	10.00	10.00	2,750,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

Md. Robiul Islam (Presently Director)

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
14-Mar-10	Cash	Ordinary Share	5,000	10.00	10.00	5,000	3.67%	2.84%	Own Source
30-Nov-13	Bonus		50,000	10.00	10.00	55,000			
30-Nov-14	Bonus		220,000	10.00	10.00	275,000			
08-July-15	Cash		2,475,000	10.00	10.00	2,750,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

Mrs. Rokshana Rahman(Presently Director)

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
14-Mar-10	Cash	Ordinary Share	5,000	10.00	10.00	5,000	3.67%	2.84%	Own Source
30-Nov-13	Bonus		50,000	10.00	10.00	55,000			
30-Nov-14	Bonus		220,000	10.00	10.00	275,000			
08-July-15	Cash		2,475,000	10.00	10.00	2,750,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

Md. Khosrul Islam, Sponsor (Presently Shareholder)

Date of Allotment/ Transfer of fully paid- up shares	Consideration	Nature of issue	No. of Equity shares	Face value	Issue Price/Acquisition Price/Transfer Prices	Cumulative no. of Equity shares	% Pre-issue paid up capital	% Post issue paid up capital	Sources of fund
14-Mar-10	Cash	Ordinary Share	5,000	10.00	10.00	5,000	0.01%	0.01%	Own Source
20-Jun-13	Cash (Transfer)		(5,000)	10.00	10.00	~			
12-Feb-15	Cash (Transfer)		5,000	10.00	10.00	5,000			

The Company split its share from Tk. 100.00 to Tk. 10.00 on 14.01.2015.

(e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10.00 before this issue.

(f) History of significant (5% or more) changes in ownership of securities from inception:

Date of Allotment/Transfer	Md. Mizanur Rahman	Md. Khosrul Islam
	No. of. Share	
14-Mar-10 (On MA/AA)	25,500	5,000
20-Jun-13 (Transfer)	5,000	(5,000)
30-Nov-13	305,000	-
30-Nov-14	1,342,000	-
12-Feb-15 (Transfer)	-	5,000
8-Jul-15	20,072,500	-
Total	21,750,000	5,000

CHAPTER (XIV): CORPORATE GOVERNANCE**(a) Management disclosure regarding compliance with the requirements of Corporate Governance Guidelines of the Bangladesh Securities and Exchange Commission (BSEC);**

The Company declares that it has been complied with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC) and accordingly constitutes several committees under the board for good governance. A certificate of compliance from competent authority has been incorporated accordingly.

Sd/-

Mrs. Rokshana Rahman
Managing Director
Fortune Shoes Limited

(b) A compliance report of Corporate Governance requirements certified by competent authority;**CERTIFICATE ON COMPLIANCE ON CORPORATE GOVERNANCE OF****FORTUNE SHOES LIMITED**

[As per required under the Bangladesh Securities and Exchange Commission (BSEC) Guideline]

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Fortune Shoes Limited** for the year ended 31 May, 2015. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines is issued by BSEC.

Date: March 29, 2016
Dhaka

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Status of compliance o Corporate Governance:

Compliance Report on BSEC's Notification

Fortune Shoes Limited

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 Issued under section 2CC of the Securities and Exchange Ordinance,1969:

(Report Under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
1.0	Board of Directors			
1.1	Board's Size			
	The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty)	✓		
1.2	Independent Directors			
1.2(i)	At least on fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		Appointment date of Independent Director 17.01.2016
1.2 (ii) a)	Independent Director does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		
1.2 (ii) b)	Independent Director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓		
1.2 (ii) c)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	✓		
1.2 (ii) d)	Independent Director who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	Independent Director who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	Independent Director who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	✓		

1.2 (ii) g)	Independent Director shall not be an independent director in more than 3 (three) listed companies;	√		
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFID);	√		
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude;	√		
1.2 (iii)	Independent director shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM);	√		An Independent Director has been appointed by board of Director on 17.01.2016 and will be placed for approval by shareholders in the next AGM
1.2 (iv)	The post of independent director cannot remain vacant for more than 90 (ninety) days;	√		
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded;	√		
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only;	√		
1.3	Qualification of Independent Director(ID)			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√		
1.3 (ii)	The independent director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background /Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of Corporate anagement/professional experiences.	√		Md. Ruhul Amin Molla, M.Com Independent Director 15-year in Bata Shoe Company (BD) Ltd. (Last Designation: Head of Non-retail Sales and Marketing)
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;	-	-	N/A

1.4	Chairman of the Board and Chief Executive Officer			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	The Directors' Report to Shareholders			
	The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994)			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	-	-	N/A
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	-	-	N/A
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	-	-	N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report.	-	-	N/A
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		

1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	-	-	N/A
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		Due to business expansion dividend has not declared
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares held by:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	√		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	√		Only Director hold share of the company

1.5 (xxi) c)	Executives	√		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	√		
1.5 (xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1.5 (xxii) a)	A brief resume of the director	√		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas.	√		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1	Appointment			
	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO , the Head of internal Audit and the CS.	√		The Company has appointed Mr. Mohiuddin Mollah as Chief Financial Officer (CFO), Mr. Md. Mahbulul Alam as Head of Internal Audit (Internal control and Compliance) and Mr. Riaz Haider, as Company Secretary (CS)
2.2	Requirement to attend the Board Meetings			
	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors provided that the CFO and /or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating of their personal matters.	√		
3.0	Audit Committee			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		

3.1	Constitution of Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
3.1 (iii)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management experience.	√		
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	-	-	N/A
3.1 (v)	The company secretary shall act as the secretary of the Committee.	√		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	Role of Audit Committee shall include the following:			
3.3 (i)	Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles.	√		
3.3 (iii)	Monitor Internal Control Risk management process.	√		
3.3 (iv)	Oversee hiring and performance of external auditors.	√		

3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
3.3 (vii)	Review the adequacy of internal audit function.	√		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	√		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	-	-	N/A
3.4	Reporting to the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii)	The Audit committee shall immediately report to the Board of Directors on the following findings, if any;			
3.4.1 (ii) a)	Report on conflicts of interests;	-	-	N/A
3.4.1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	-	-	N/A
3.4.1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations; and	-	-	N/A
3.4.1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	-	-	N/A

3.4.2	Reporting to the Authorities			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	~	~	N/A
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4.0	External/Statutory Auditors.			
4 (i)	Non-engagement in Appraisal or valuation services or fairness opinions	√		
4 (ii)	Non-engagement in designing and implementation of Financial Information System	√		
4 (iii)	Non-engagement Book-keeping or accounting	√		
4 (iv)	Non-engagement Broker-dealer services	√		
4 (v)	Non-engagement in Actuarial services	√		
4 (vi)	Non-engagement in Internal audit services	√		
4 (vii)	Non-engagement in any other service determined by the Audit Committee	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√		

5.0	Subsidiary Company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	-	-	N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	-	-	N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	-	-	N/A
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	-	-	N/A
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	-	-	N/A
6.0	Duties of Chief Executive Officer (CEO)& Chief Financial Officer (CFO)			
6 (i)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7.0	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant / Chartered Secretary) regarding	√		

	compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.			
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		

(c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committees operate.

In accordance with the currently accepted Best Practice and Corporate Governance Guidelines adopted by Bangladesh Securities and Exchange Commission (BSEC), the Board appointed Audit Committee and remuneration committee comprises of the following:

Audit Committee Members Name	Remuneration Committee Members Name
<ul style="list-style-type: none"> • Md. Ruhul Amin Molla (Independent Director) Chairman of the Committee • Md. Amanur Rahman • Md. Robiul Islam • Md. Riaz Haider, Secretary of the Committee 	<ul style="list-style-type: none"> • Md. Mizanur Rahman, Chairman of the Committee • Mrs. Rokshana Rahman, Managing Director • Md. Robiul Islam • Md. Ruhul Amin Molla, Independent Director

The terms of reference of the audit committee has been agreed upon as follows:

- To review all internal and external audit report.
- To recommend the statutory annual audited financial statements to the Board of Directors for approval.
- To review the finding of the internal and external auditors.
- To review and approve the Annual “Audit Plant” of the Internal Audit Department.
- To monitor the implementation of the recommendations of the Internal and External auditors.
- To review the performance of the external auditors and make recommendations to the Board regarding their appointment and fees.
- To review the quarterly, half yearly and annual financial statements before submission to the Board, focusing particularly on.
- To review the company’s statement on internal control systems prior to endorsement by the Board.
- The company secretary shall be the secretary of the audit committee.

The terms of reference of the Remuneration committee has been agreed upon as follows:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

CHAPTER (XV): VALUATION REPORT OF SECURITIES PREPARED BY THE ISSUE MANAGER

- (a) The valuation report of securities offered is prepared and justified by the issue manager on the basis of the financial and all other information pertinent to the issue

Qualitative and Quantitative factors for valuation:**Qualitative Justification:**

1. Quality Products: As we export our products, we have to maintain producing quality products that increase our sales volume over the years.
2. Modern Machineries: We have been using modern machineries that increase our productivity.
3. Market Share: Our market share has been increasing rapidly.
4. Export: We have been exporting in different countries.

Quantitative Justification:

Primary Valuation method for the Company is considered on the basis of Net Assets Value based valuation and Earnings based valuation per share.

Method 1: Share price on Net Asset Value (NAV)/Equity based value per share

Sl. No.	Particulars	Amount (in Tk.)
a)	Share Capital	750,000,000
b)	Retained Earnings	280,990,701
Total Shareholders' Equity (without revaluation reserve)		1,030,990,701
Number of Shares		75,000,000
Net Asset Value per share (without revaluation reserve) as per Audited Report as on 29 February, 2016		13.75

Method 2: Historical Earnings based value per share

Average Price Earnings of Market & Sectoral		
Month	Sectoral	Market
Feb-16	22.49	15.17
Mar-16	21.38	14.26
Apr-16	21.27	13.86
Average	21.71	14.43
Considering Lesser P/E of 21.71 & 14.43 is 14.43		

Source: DSE Monthly Review.

Period	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
31-May-11	50,000	-	0.0048	-
31-May-12	50,000	24,960,894	0.0048	120,993
31-May-13	50,000	60,416,971	0.0048	292,860
31-May-14	550,000	81,499,098	0.0533	4,345,565
31-May-15	9,615,000	93,311,956	0.9321	86,979,589
Total	10,315,000	260,188,919	1.0000	91,739,007
No. of shares outstanding before IPO				75,000,000
Diluted EPS based on weighted Average of Net Profit after Tax				1.22
Present Market PE (Considering Lesser P/E of 21.71 & 14.43)				14.43
Earnings based Value per share based on overall Market P/E				17.65

Method 3: Average market price per share of similar stocks:**Last One Year (Month ended) Closing Share Price of Similar Stocks**

Sl. No.	Date	Bata Shoe Company (Bangladesh) Ltd.	Apex Footwear Ltd.	Legacy Footwear Ltd.
1	30-Jun-15	1,259.90	344.20	24.60
2	30-Jul-15	1,323.20	336.50	24.30
3	31-Aug-15	1,304.60	378.20	27.90
4	30-Sep-15	1,357.80	394.00	31.30
5	29-Oct-15	1,351.50	368.60	27.00
6	30-Nov-15	1,331.20	320.70	24.60
7	31-Dec-15	1,317.70	347.20	30.40
8	31-Jan-16	1,303.40	315.80	30.20
9	29-Feb-16	1,236.00	321.00	28.30
10	31-Mar-16	1,170.40	307.80	28.30
11	28-Apr-16	1,170.30	302.10	24.90
12	31-May-16	1,169.90	313.70	27.80
Average		1,274.66	337.48	27.47
Average price of these 3 (Three) similar stocks				546.54

Sources of Information:

1. Annual Report of Issuer Company
2. Monthly review published by Dhaka Stock Exchange Ltd.

Therefore, the issue managers and management of the Company believes that the offering price of Tk. 10.00 per share is justified.

CHAPTER (XVI): DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

CHAPTER (XVII): PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Parties involve with Fortune Shoes Limited		Responsibilities
(a) Issue manager(s)	(1) Imperial Capital Limited (2) Prime Bank Investment Limited	The Issue Managers will act as the manager to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b) Underwriters:	(1) AFC Capital Limited (2) Alpha Capital Management Limited (3) EBL Investments Limited (4) PLFS Investments Limited	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(c) Auditors:	Mahfel Huq & Co. Chartered Accountants	To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(d) Cost Management Accounts	N/A	N/A
(e) Valuer	N/A	N/A
(f) Credit Ratings	N/A	N/A

CHAPTER (XVIII): MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

(a) Major agreements entered into by the issuer;

- i) Underwriting Agreement between the Company and the Underwriters.
- ii) Issue Management Agreement between the Company and the Managers to the issue, Imperial Capital Limited & Prime Bank Investment Limited.

Copies of the above mentioned contracts and documents and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

(b) Material parts of the agreements;**Underwriter:**

As per Rule 12 of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the board of directors of the issuer company has appointed the following underwriters having certificate of registration from the Bangladesh Securities and Exchange Commission to carry out the purpose of underwriting on a firm commitment basis:

1. AFC Capital Limited;
2. Alpha Capital Management Limited;
3. EBL Investments Limited;
4. PLFS Investments Limited.

The Initial Public Offering (IPO) is for 22,000,000 ordinary shares of Tk. 10.00 each at par amounting to Tk. 220,000,000 of Fortune Shoes Limited. As per the guidelines of the Bangladesh Securities and Exchange Commission, 35% of the said amount i.e. 7,700,000 ordinary shares of Tk. 10.00 each at par amounting to Tk. 77,000,000 has been underwritten by the underwriters in the following proportion:

SL	Name of the Underwriter	No. of Shares underwritten	Amount of Underwritten (Tk.)
1	AFC Capital Limited	3,500,000	35,000,000
2	Alpha Capital Management Limited	1,400,000	14,000,000
3	EBL Investments Limited	1,400,000	14,000,000
4	PLFS Investments Limited	1,400,000	14,000,000
	Total	7,700,000	77,000,000

- (i) The IPO shall stand cancelled if at least 65% in any category of the IPO is not subscribed.
- (ii) In case of under subscription in any category by up to 35% of the IPO the under-subscribed securities shall be taken up by the underwriters.
- (iii) Notwithstanding anything contained in the agreement in case of inconsistency between the provision of the agreement and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, the Public Issue Rules shall prevail.
- (iv) Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission 0.50% (zero point five zero percent) on the amount underwritten.

- (v) The Issuer shall **within 10 (Ten) days** of the closure of subscription call upon the underwriter in writing with a copy of said writing to the Bangladesh Securities and Exchange Commission, to subscribe for the shares not subscribed by the closing date and to pay for in cash in full for such unsubscribed shares **within 15 (Fifteen) days** of the date of said notice and the said amount shall have to be credited into shares subscription account within the said period.
- (vi) In any case **within 7 (seven) days** after the expiry of the aforesaid **15 (fifteen) days**, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

Issue Manager:

- (i) The scope of the services to be rendered by the Issue Manager to the Issuer under this agreement shall be as detailed hereunder:
- a. Consultancy services;
 - b. Regulatory compliance;
 - c. Underwriting Co-operation;
 - d. After consent tasks.
- (ii) The Issue Manager's take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The Issuer undertakes to bear all expenses relevant to the share application processing, allotment and dispatch of letters of allotment and refund warrant. The Issuer shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.
- (iii) Without prejudice to other stipulations relative to the responsibility of the Issue Manager, it is responsible towards the Company for strict compliance of this Agreement and to comply with all terms therein.
- (iv) The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, listing Rules of the Stock Exchanges, Companies Act 1994, Securities, and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines, etc.
- (v) If any differences or disputes arises between the parties during the subsistence of this contract or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this contract, such disputes shall be referred to a sole arbitrator or in case of disagreement as to the appointment of the two arbitrators, each party nominating an arbitrator and arbitration shall be conducted as per provision of the Arbitration Act 2001 and the award of the arbitration shall be binding upon the parties and the parties shall be precluded from challenging or objecting to the award.
- (vi) No, forbearance, indulgence or relaxation or inaction by any party at any time to require performance of any of the provisions of this Agreement by the other parties shall in any way affect, diminish or prejudice the right of such party to require performance of that provision and any waiver or acquiescence of any right under or arising out of this Agreement shall not be construed as a waiver or acquiescence to or recognition of rights and/or position other than as expressly stipulated in this Agreement.
- (vii) If any provision of this Agreement or the application thereof to any person or circumstances becomes or is declared invalid or unenforceable to any extent, the remainder of this agreement and the application of the such provision to person or circumstances other than

those as to which it is held invalid or unenforceable, shall not affect thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(c) Fees payable to different parties.

(i) Commission for Underwriters:

The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% of 35% of the total IPO amount (i.e. Tk. 77,000,000.00) of the issue value of shares underwritten by them.

(ii) Fees for the issue management services:

Name of Issue Manager	Fee
Imperial capital Ltd.	Tk. 19.00 Lac
Prime Bank Investment Ltd.	Tk. 3.00 Lac
Total	Tk. 22.00 Lac

CHAPTER (XIX): OUTSTANDING LITIGATIONS, FINE OR PENALTY**(a) The following outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:**

There is no outstanding litigation against the issuer or any of its directors and fine or penalty imposed by any authority

- (i) Litigation involving Civil Laws
- (ii) Litigation involving Criminal Laws
- (iii) Litigation involving Securities, Finance and Economic Laws
- (iv) Litigation involving Labor Laws
- (v) Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)
- (vi) Litigation involving any other Laws

It is mentionable here that Mr. Khosrul Islam, the then director and the current shareholder of Fortune Shoes Ltd., filed a case against Mr. Mizanur Rahman, the Chairman of Fortune Shoes Limited, in Chittagong Metropolitan Sessions Court. Their relationship declined because of disagreement over business matter that resulted in filing a case which no. was 173/2015 dated on 11.11.2014 under section no. 138 of Negotiable Instrument Act, 1881. Subsequently Mr. Khosrul Islam withdrew his case against Mr. Mizanur Rahman on 14.10.2015.

(b) Outstanding cases filed by the Company or any of its directors:

- (i) **Litigation involving Civil Laws:** No cases filed by the company or any of its directors.
- (ii) **Litigation involving Criminal Laws:** No cases filed by the company or any of its directors.
- (iii) **Litigation involving Securities, Finance and Economic Laws:** No cases filed by the company or any of its directors.
- (iv) **Litigation involving Labor Laws:** No cases filed by the company or any of its directors.
- (v) **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties):** No cases filed by the company or any of its directors.
- (vi) **Litigation involving any other Laws:** No cases filed by the company or any of its directors.

CHAPTER (XX): RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Internal risk factors may include, among others:

a) **Credit Risk:**

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

Management Perception:

Credit Risk mainly lies with banks and Financial Institutions. Since Fortune Shoes Ltd. is concentrating its business in Manufacturing and exporting the same, the company has enjoyed credit facilities from financial institution. However, a certain degree of credit risk lies because of this obligation. The management is well aware of this and management tries to manage it efficiently through continuous supervision.

b) **Liquidity Risk:**

The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

Management Perception:

Fortune Shoes Ltd. has been dealing with its working capital in efficient way to maintain liquidity risk. Management is dealing with accounts payable, inventory and accounts receivable efficiently.

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

Management Perception:

Fortune Shoes Ltd. has no subsidiaries, joint venture and associate.

d) **Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer.**

Management Perception:

We have been exporting our goods in different countries such as Taiwan, Netherlands, Spain, Sweden, Switzerland, Canada and Germany. Among the above countries, we sell most of our export to Taiwan and Netherlands. As a result, significant revenue generated from limited number of customers. However, we are exploring new markets in different countries to minimize the above risk.

e) **Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely.**

Management Perception:

Main raw materials of the Fortune Shoes Ltd. are Pu, Textile, Leather, Synthetic Mesh, Synthetic Far, Li-shin Cloth/Furling Cloth, Shoe Lace, Magic Tap, Eylete, Last, out sole. The company procures these raw materials from different Suppliers of overseas market. The company has some trusted suppliers of its raw materials. Hence, we are dependent on a few suppliers of raw materials.

f) **More than 20% revenue of the issuer comes from sister concern or associate or subsidiary**

Management Perception:

We do not have sister concerns, associate or subsidiary.

g) **Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any.**

Management Perception:

We started off our commercial operation from 2011. There were negative cash flow from operating activities for the first 3-year of the business. It was happened because of initial

period of the business. In the first year there was no turnover. However, from third year onwards business started generating positive operating cash flow. We did not have negative earnings. We made profit from 2012 onwards.

- h) Loss making associate/subsidiary/group companies of the issuer.

Management Perception:

We do not have any investment in subsidiary or associates.

- i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates

Management Perception:

Sales are one of the key indicators of success of a business if there is good margin of profit. Fortune Shoes Ltd. has been increasing sales growth which is boosting up the profitability. Net profit after tax has been increased by almost 3 times from the net profit of 2012.

- j) Decline in value of any investment

Management Perception:

We do not have any investment.

- k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned.

Management Perception:

We have been using new branded machineries.

- l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall.

Management Perception:

There is no as such loan given to related party or loan taken from directors.

- m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors.

Management Perception:

There is a board consisting of 5-members including independent directors. All the decisions are made by the board. The chairman has three shoe companies which sell their product in local market. On the other hand, Fortune shoes Ltd. is 100% export-oriented. Hence, there is no conflict of interest.

- n) Related party transactions entered into by the company those may adversely affect competitive edge.

Management Perception:

There is no as such transaction which may adversely affect competitive edge.

- o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities.

Management Perception:

There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of Banks in respect of loan or credit limit and other banking facilities.

- p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees.

Management Perception:

We believe that our employees are assets of the company and we have different employee benefit for our employees. Hence, we have smooth operation ever since starting our business in 2011. Political turmoil has an impact on the business. So whenever there is any strike, business community suffers as a whole.

- q) Seasonality of the business of the issuer

Management Perception:

The principal activities of Fortune Shoes Ltd. are manufacturing and exporting Sports shoes, Leather shoes and other footwear. Fortune Shoes Ltd. sells its products in the overseas market.

- r) Expiry of any revenue generating contract that may adversely affect the business

Management Perception:

We have been doing business in different countries. Hence, we are under the risk of expiry of any revenue generating contract that may adversely affect the business.

- s) Excessive dependence on debt financing which may adversely affect the cash flow.

Management Perception:

We are not depending on debt financing and the debt to equity ratio is 0.06 for the year 2015 and it was 0.10 in 2014 and 0.07 in 2013.

- t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance.

Management Perception:

Corporate Governance is well practiced in our company. We have also well placed organogram in our company. So any change in the key management can be replaced with other persons.

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

Management Perception:

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

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

Management Perception:

Fire insurance has been insured for warehouse of shoes & raw materials, Machineries and Factory building. In addition, we have group insurance for our employees. There is also insurance coverage of importing raw materials.

- w) Absence of assurance that directors will continue its engagement With Company after expiry of lock in period.

Management Perception:

Our directors are involved in the business and they will continue the business after expiry of lock in period as per the company act.

- x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure.

Management Perception:

The Company's net profit after Tax and other business performance indicators show increasing trend due to the management dedication and suitable strategic action to face competition in the industry. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity,

use of appropriate technology, among others. Over the year company's financial performance is improving due to its long terms vision in this sector, experienced top tier management, favorable economic and government rules and regulations, the commendable repayment culture is contributing for growth of the Company. Company paid dividend in 2013 and 2014. However, Shareholders did not take any dividend in 2015 because the company is under IPO processing. So we believe that company is capable to pay dividend from its earning.

- y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors.

Management Perception:

Such case did not happen in the history of our company.

- z) Risks related to engagement in new type of business, if any.

Management Perception:

There is no as such risk relating to engagement in new type of business. We are solely involved in shoe exporting business.

- aa) Risk in investing the securities being offered with comparison to other available investment options.

Management Perception:

We are profitable entity and our business growth will continue in longer period. It is not risky in investing securities in comparison with other available investment option.

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

Management Perception:

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

- cc) 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:

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

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

Management Perception:

Our Factory premise is located at Plot # 66, 67, 68 in BSCIC Industrial Estate, Kawnia, Barisal. It is owned by the company under 99 years lease deed from BSCIC. The company also owns its registered office located at Moon Island (suit #C-3), Plot No-34 & 36, Road#8, Block E, Niketon, Gulshan-1, Dhaka 1212.

- ee) Lack of renewal of existing regulatory permissions/ licenses.

Management Perception:

There is no such issue relating to lack of existing regulatory permissions/ licenses.

- ff) 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

Management Perception:

We do not have any listed securities and we do not have any subsidiary or associates.

gg) Issuances of securities at lower than the IPO offer price within one year***Management Perception:***

Fortune Shoes Ltd. has been profitable entity since commercial operation. It has potentiality to grow in future. We believe that our IPO offer price will not be lower within one year.

hh) 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.***Management Perception:***

Such cases did not happen for our company and associates.

External risk factors may include among others:**a) Interest Rate Risks;**

FSL is exposed to the volatility of interest rate as it has Short Term Bank Loan (interest rate 7.00%-15.50%) and Long Term Bank Loan (Interest rate 15.50%). Any higher trend in interest rate in the future will definitely aggravate the adversity.

Management Perception:

The management of FSL is always aware of interest rate, which is connected to the cost of fund. However, now the interest rate is in down trend in our country.

b) Exchange Rate Risks;

FSL is engaged in global trade as it procures its raw materials from overseas markets. Therefore, fluctuations in the related foreign currency rates may affect adversely to the Company's liquidity and profitability and expose a threat to the stability of the Company.

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;

The cost of Pu, Textile, Leather, Synthetic Mesh, Synthetic Fur, Li-shin Cloth/Furling Cloth, Shoe Lace, Magic Tap, Eylete, Last, Out Sole other raw materials are rising drastically round the year. It may hamper the profitability of the Company significantly.

Management Perception:

FSL is aware of the continuing market situation of its raw materials. The management of FSL 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) Economic and Political risks;**Economic risks;**

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy has been flourishing over the years with consistent growth rate of 6% plus. Per capita income of our country has been increased as well. In addition, favorable government policies are also the key factors. Government has now aimed at 7% plus future growth for our country.

Political risks;

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty five years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

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

The FSL is an exporter. 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:

FSL always gives values to its customers' satisfaction and changes in tastes and fashion. Hence, FSL 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:

FSL applies the latest technology in the manufacturing process in the production. FSL is very concerned using high performance and sophisticated equipments. 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.

f) Potential or existing government regulations;

The Company operates under Companies act, taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s rule and rules adopted by other regulatory organizations. Any abrupt changes of the policies formed by those bodies will impact the business of the Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected.

Management perception:

Government nurtures the smooth business operation in the country which helps to earn desired growth of the country and solving unemployment. Hence, policies are initiated in a way by the government so that the business can run smoothly.

g) Potential or existing changes in global or national policies;

The performance of the company may be affected by the political and economic instability both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the company may adversely affect the growth and general condition of the economy.

Management perception:

Nothing is permanent in the world and an only change is permanent. We believe this motto. Hence, quick adaptation to new circumstance is the key to success in business. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

h) Statutory clearances and approvals those are yet to be received by the issuer;**Management Perception:**

We have been in the business over 5 years. We have collected all the statutory clearance to operate our business. Hence, there is no as such risk for our Company.

i) **Competitive condition of the business;**

FSL is operating in a free market economy regime. The Company might have to face stiff competition from its competitors.

Management Perception:

In today's business world, every business entity faces a stiff competition due to free market economy system. There is an appearance probability of new competitors and FSL management is well aware of that. However, FSL management is confident to keep existing customers and management is continuously looking for potential new customers to hold and expand its market.

j) **Complementary and supplementary products/services which may have an impact on business of the issuer.****Management Perception:**

The Company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.

Others Risk:a) **Registered office in Residential Area****Management Perception:**

Our factory is in BSCIC area in Barisal. Presently our registered office is our corporate office located at Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212. We will shift our registered office very soon.

b) **Only two customers purchased 69.78% of total products for the period ended 29 February, 2016:****Management Perception:**

We have been doing business with these two customers for long time and they are tested customers. However, the company is exploring new business opportunity in different countries. Now, we have a few new customers. In near future this risk will be mitigated through business expansion.

c) **Only five suppliers supplied 90.97% raw materials of the company for the period ended 29 February, 2016:****Management Perception:**

These suppliers are tested and we have a long term good relationship with them. They supply quality goods in competitive price. Management is also finding out new suppliers so that buyers bargaining power can be created to deal with such risk.

CHAPTER (XXI): DESCRIPTION OF THE ISSUE**(a) Issue Size:**

- (i) **Number of securities to be issued;**
Public issue of 22,000,000 ordinary shares.
- (ii) **Authorized capital and paid-up capital;**
Authorized capital: Tk. 1,500,000,000.00
Paid-up capital: Tk. 750,000,000.00
- (iii) **Face value, premium and offer price per unit of securities;**
Face Value: Tk. 10.00
Offer Price per unit of securities: Tk. 10.00

(iv) Number of securities to be entitled for each category of applicants;

Category	Particulars	Number of Shares	Issue Price per Share	Amount in BDT
Eligible investors (EIs)	10% of IPO i.e. 2,200,000 Ordinary Shares shall be reserved for Mutual Funds	2,200,000	10.00	22,000,000
	40% of IPO i.e. 8,800,000 Ordinary Shares shall be reserved for Other Eligible Investors (EIs)	8,800,000		88,000,000
General public	10% of IPO i.e. 2,200,000 Ordinary Shares shall be reserved for Non-Resident Bangladeshis (NRBs)	2,200,000		22,000,000
	40% of IPO i.e. 8,800,000 Ordinary Shares shall be reserved for ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারী and General Public	8,800,000		88,000,000
Total		22,000,000		220,000,000

(v) Holding structure of different classes of securities before and after the issue;

The Company has issued only ordinary shares. Holding structure of different classes of securities before and after the issue are as follows:

Sl. No.	Category of Shareholders	No. of Ordinary Shares Hold		Percentage of Holding	
		Pre-IPO	Post-IPO	Pre-IPO	Post-IPO
1	Sponsors & Directors	30,005,000	30,005,000	40.01%	30.93%
2	Institutional	1,500,000	10,300,000	2.00%	10.62%
3	Mutual fund	-	2,200,000	0.00%	2.27%
4	Individual	43,495,000	52,295,000	57.99%	53.91%
5	Non-Resident Bangladeshis (NRBs)	-	2,200,000	0.00%	2.27%
Total		75,000,000	97,000,000	100.00%	100.00%

(vi) Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital.

Net proceeds from Initial Public Offering (IPO) will be used for Construction of Building, acquisition of Machinery & Equipment.

SL	Particulars	Amount in Tk.
1	Construction of Building	92,823,000
2	Acquisition of Machinery & Equipment	109,517,000
Total		202,340,000
IPO Expenses		17,660,000
Grand Total		220,000,000

Apart from above Tk. 17,660,000 will be used for IPO expenses out of total IPO proceeds. The feasibility report in respect enhances paid up capital as prepared Mr. Mahbub H. Mazumdar FCMA, Mazumdar Sikder and Associates, Cost & Management Accountants is enclosed below:

Feasibility in respect of enhanced paid-up capital

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	31-May-2015	31-May-2016	31-May-2017	31-May-2018
<u>ASSETS</u>				
<u>A : Non-Current Assets</u>	658,826,978	749,393,296	870,861,575	856,786,051
Property, Plant & Equipment	619,572,839	749,393,296	870,861,575	856,786,051
Capital Work in Progress	39,254,139	-	-	-
<u>B : Current Assets</u>	531,244,496	790,824,219	824,153,289	1,033,344,380
Inventories	172,754,228	314,498,405	336,513,293	420,641,617
Trade and other receivables	313,467,591	405,278,794	419,595,521	529,342,379
Advance, Deposits and Prepayments	35,872,789	58,373,173	53,768,347	66,933,914
Cash and Cash Equivalents	9,149,888	12,673,847	14,276,127	16,426,470
Total Assets (A+B)	1,190,071,474	1,540,217,515	1,695,014,863	1,890,130,431
<u>EQUITY AND LIABILITIES</u>				
<u>C : Shareholder's Equity</u>	959,651,428	1,302,782,785	1,453,383,380	1,628,415,263
Share Capital	96,150,000	970,000,000	970,000,000	970,000,000
Share Money Deposit	653,850,000	-	-	-
Retained Earnings	209,651,428	332,782,785	483,383,380	658,415,263
<u>D : Non-Current Liabilities</u>	58,531,898	52,073,533	39,306,670	45,485,517
Long Term Loan	25,830,579	21,218,029	-	-
Deferred Tax Liability	32,701,319	30,855,504	39,306,670	45,485,517
<u>E : Current Liabilities</u>	171,888,148	185,361,197	202,324,812	216,229,651
Current Maturity of Long Term Loan	4,915,577	4,612,550	-	-
Short Term Borrowings	28,315,316	36,809,911	40,490,902	43,730,174
Trade and Other Payable	138,657,255	143,938,736	161,833,910	172,499,477
Total Liabilities (D+E)	230,420,046	237,434,730	241,631,483	261,715,168
Total Equity and Liabilities (C+D+E)	1,190,071,474	1,540,217,515	1,695,014,863	1,890,130,431

*** 31st May, 2015 is audited.

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	31-May-2015	31-May-2016	31-May-2017	31-May-2018
(A) Turn Over	915,488,698	1,235,909,742	1,421,296,204	1,606,064,710
(B) Cost of goods sold	753,608,282	1,015,917,808	1,168,305,479	1,320,185,192
(C) Gross Profit (A-B)	161,880,416	219,991,934	252,990,724	285,879,518
(D) Operating Expenses	40,917,446	72,029,378	63,053,784	71,881,314
Administrative Expenses	40,917,446	72,029,378	63,053,784	71,881,314
(E) Profit from Operation (C-D)	120,962,970	147,962,556	189,936,940	213,998,204
(F) Financial Expenses	7,857,570	9,350,508	8,163,498	6,900,228
Profit before Income Tax	113,105,400	138,612,048	181,773,442	207,097,976
Provision for taxation	19,793,444	15,480,691	31,172,847	32,066,093
Current Tax Expense	10,629,616	17,326,506	22,721,680	25,887,247
Deferred Tax Expense/ (Income)	9,163,828	(1,845,815)	8,451,167	6,178,846
Profit for the Year	93,311,956	123,131,357	150,600,595	175,031,883
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Year	93,311,956	123,131,357	150,600,595	175,031,883

*** 31st May, 2015 is audited.

*** Dividend is not considered.

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		31-May-16	31-May-17	31-May-18
Capacity Increase	Capacity will be increased as new machineries will be introduced.	22%	17%	11%
Capacity Utilization	Capacity utilization will be almost same.	70-75%	70-75%	70-75%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	35%	15%	13%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2016.	76%	(12.46%)	14%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	183,371,339	181,127,785	48,000,000
Paid up Capital Increase	Paid up capital has been increased through capital raising of Tk. 653,850,000 in FY 2015-2016. Paid up Capital will be increased by Tk. 220,000,000 through IPO in the same Financial Year.	873,850,000	-	-
Long term Loan Repayment	Current portion of long term loan will be paid in 2016. Long term loan are expected to be paid fully in 2017.	4,915,577	25,830,579	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Sd/-

Mahbub H. Mazumdar FCMA
Mazumdar Sikder and Associates
Cost & Management Accountants

CHAPTER (XXII): USE OF PROCEEDS

- (a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

Sources of Fund:

Issue size (Number of share to be issued)	Issue price	Amount in Taka
22,000,000 Shares	Tk. 10.00	220,000,000
Less: IPO Expenses (Detail as at page number: 74)		17,660,000
Net IPO Proceeds		202,340,000

Use of the net proceeds from the IPO:

Net proceeds from Initial Public Offering (IPO) will be used for Construction of Building, acquisition of Machinery & Equipment.

The details of which is stated as under:

SL	Particulars	Amount in Tk.	Implementation Schedule
1	Construction of Building	92,823,000	Within 18 months after receiving IPO fund
2	Acquisition of Machinery & Equipment	109,517,000	
Total		202,340,000	

1. Details of Construction of Building:

a) Detail Cost Estimate for Proposed 3-Storeied 4000 sft per floor (with foundation of six storied) New Factory Building On Existing Factory Site.

Total Floor Area= 12,000 sft

Name of work (Civil Work)	Item Name	Size		Quantity		Unit Rate (Tk)	Amount (Tk)
Civil Work							
Earth Cutting				9,986	cft	40	399,440
Pile	M S Rod	16	mm	24,687	kg	65	1,604,655
		10	mm	12,388	kg	65	805,220
	cement			2,803	bag	430	1,205,290
	Sand	Sylhet		5,253	cft	60	315,180
	stone			10,509	cft	160	1,681,440
Pile cap	M S rod	20	mm	4,476	kg	65	290,940
		12	mm	261	kg	65	16,965
		16	mm	1,947	kg	65	126,555
	cement			616	bag	430	264,880
	Sand			1157	cft	60	69,420
	stone			2311	cft	135	311,985
	B.F.S	Brick		2,997	nos	8	23,976
	cement			68	bag	430	29,240
	Sand			171	cft	60	10,260
stone			342	cft	160	54,720	
Short Column & Grade Beam	M.S Rod	20	mm	2,808	kg	65	182,520
		16	mm	1,194	kg	65	77,610
		10	mm	1,722	kg	65	111,930
	cement			254	bag	430	109,220
	Sand			569	cft	60	34,140
	stone			1,138	cft	160	182,080
Floor	Ms. Rod	10	mm	3,109	kg	65	202,085
	cement			328	bag	430	141,040
	Sand			1,226	cft	60	73,560
	stone			2457	cft	160	393,120
	Flat Soling			11108	nos	8	88,864
Brick Work	1st class Brick			110,073	nos	8	880,584
	cement			432	bag	430	185,760
	sand			2,691	cft	35	94,185

Long Column & Lintel	M.S Rod	20	mm	20,354	kg	65	1,323,010
		10	mm	11,112	kg	65	722,280
	cement			1,370	bag	430	589,100
	Sand			2,729	cft	60	163,740
	stone			5,172	cft	160	827,520
Beam & Slab	M.S Rod	10	mm	35,617	kg	65	2,315,105
		16	mm	7,878	kg	65	512,070
		20	mm	4,023	kg	65	261,495
	cement			3,330	bag	430	1,431,900
	Sand			8,343	cft	60	500,580
	stone			16,690	cft	160	2,670,400
Stair & Shear Wall	M.S Rod	12	mm	15167	kg	65	985,855
		10	mm	1044	kg	65	67,860
		8	mm	426	kg	65	27,690
	cement			738	bag	430	317,340
	Sand			1865	cft	60	111,900
	stone			789	cft	160	126,240
Ceiling Plaster, Wall Plaster & Outer Plaster	cement			513	bag	430	220,590
	sand			3,219	cft	35	112,665
Tiles	Floor			12,000	sft	170	2,040,000
Thai Glass				3,627	sft	350	1,269,450
Grill				3,627	sft	220	797,940
Door				25	nos	15,000	375,000
Plumbing	(10% of Civil Cost)					3,141,130	4,141,104
Paint	Distemper			9	drum	3,000	27,000
	Plastick paint			9	drum	4,000	36,000
	Weather coat			9	drum	6,500	58,500
	Sealer			5	drum	3,500	17,500
	putty			5	drum	2,700	13,500
Labour Cost	Civil			12,000	sft	220	2,640,000
	Sanitary						268,652
	Tiles						317,377
	Paint						296,175
Total Civil Cost						35,552,402	
Architectural and Structural Design-Drawings including elevation and section of building, layout plan of column, beam, brick wall, toilet portion, steel structure of column head, Beam parting & roof sheet details of doors, windows, parapet and drop walls							100,000

Electromechanical Work							1,000,000
Cargo Lift (Model: SHE-SA60(4000)-\$C30-6/6, Capacity: 4000Kg./60 Persons, Floor/Stop: 6/6, Speed: 30 Meter/Minute, Country of Origin: China)				1	nos		5,200,000
Total Cost for New Factory Building (A)							41,852,402

Detail Estimate for Construction of proposed 26,939 sft Factory Building over existing Factory Building (Existing building is 2 storied of 30,983 sft each floor. Work of 3rd floor is already completed 4,044 sft. Remaining (30,983-4,044) 26,939 sft will be constructed from IPO proceeds.):

26,939 sft Factory Building on 2nd floor

Name of work (Civil Work)	Item Name	Size		Total Floor Area		26,939 sft	
				Quantity	Unit Rate (Tk.)	Amount (Tk.)	
Super- Structure							
Brick Work	1st class Brick			159,033	nos	8	1,272,264
	cement			1,817	bag	430	781,310
	sand			6,629	cft	35	232,015
Lintel	M.S Rod	12	mm	11,429	kg	65	742,885
		10	mm	4,370	kg	65	284,050
	cement			273	bag	430	117,390
	sand			654	cft	60	39,240
	stone			1313	cft	160	210,080
Long Column	M.S Rod	20	mm	50225	kg	65	3,264,625
		16	mm	32165	kg	65	2,090,725
		10	mm	29469	kg	65	1,915,485
	cement			3,867	bag	430	1,662,810
	Sand			8,785	cft	60	527,100
	stone			17,563	cft	160	2,810,080
Beam & Slab	M.S Rod	16	mm	42,970	kg	65	2,793,050
		10	mm	68384	kg	65	4,444,960
	cement			7,194	bag	430	3,093,420
	Sand			17,561	cft	60	1,053,660
	stone			35,414	cft	160	5,666,240
Stair	M.S Rod	20	mm	1435	kg	65	93,275
		16	mm	2241	kg	65	145,665

		12	mm	12605	kg	65	819,325
		10	mm	925	kg	65	60,125
	cement			1087	bag	430	467,410
	Sand			2193	cft	60	131,580
	stone			3781	cft	160	604,960
Ceiling Plaster, Wall Plaster & Outer Plaster	cement			999	bag	430	429,570
	sand			5,861	cft	35	205,135
Plumbing							430,400
Tiles	Floor			26,939	sft	170	4,579,630
Thai Glass				3,177	sft	350	1,111,950
Grill				3,177	sft	220	698,940
Door				7	nos	8,000	56,000
Paint	Distemper			73	drum	3,000	219,000
	Plastic paint			73	drum	4,000	292,000
	Weather coat			73	drum	6,500	474,500
	Sealer			73	drum	3,500	255,500
	putty			9	drum	2,700	24,300
Labor Cost	Civil			26,939	sft	220	5,926,580
	Tiles						452,235
	Paint						491,129
Total Cost for old Factory Building (B)							50,970,598
Grand Total Cost for Construction of Building (A+B)							92,823,000

Details of Acquisition of Machinery & Equipment:

Name of Supplier	Country of Origin	Description	Model	Qty (Pcs)	Unit Price in USD	Total Amount in USD	Exchange Rate (BM)	Total Amount in BDT
Xiamen Uniworld International Trade Co. Ltd. Address: Room No: 61, Block-C, Yuxiu Center, No-38, Yuxiuli Xiamen, China	China	Sewing Machines of Industrial Type(Excl. Automatic Units): SINGLE NEEDLE HIGHPOST SEWING MACHINE	JM810	270	600	162,000	77.50	12,555,000
		Sewing Machines of Industrial Type(Excl. Automatic Units): DOUBLE NEEDLE HIGHPOST SEWING MACHINE	JM820	220	705	155,100		12,020,250
		Sewing Machines of Industrial Type(Excl. Automatic Units): SINGLE NEEDLE ROLLER SEWING MACHINE	JM9910	130	1,268	164,840		12,775,100
		Sewing Machines of Industrial Type(Excl. Automatic Units): SINGLE FLATBED SEWING MACHINE	JM6581	140	564	78,960		6,119,400
		Sewing Machines of Industrial Type(Excl. Automatic Units): ZIG-ZAG SEWING MACHINE	JM20U53	130	575	74,750		5,793,125
		Machinery For Making or Repairing Footware: SKIVING MACHINE	JM801	41	700	28,700		2,224,250
		Machines For Reeling, Unreeling, Folding, Cutting- Texttile Fabrics: FOLDING MACHINE	JM650	35	2,394	83,790		6,493,725
		Machinery For Making or Repairing Footware: PUNCHING MACHINE	DD760	40	1,233	49,320		3,822,300
		Machinery For Making or Repairing Footware: EYELET SETTING MACHINE	DD759	40	1,584	63,360		4,910,400
		Ironing Machines And Presses(Incl.Fusing Presses): THERMAL PRESSING MACHINE	YQ116	30	845	25,350		1,964,625
		Machinery For Making or Repairing Footware: GLUE SPRAYING MACHINE	XX2002	52	1,408	73,216		5,674,240

	Sewing Machines of Industrial Type(Excl. Automatic Units) : INSOLE SKIVING MACHINE	DS707A	37	5,633	208,421		16,152,628
	Sewing Machines of Industrial Type(Excl. Automatic Units) : STEAM UPPER MOLDING	TS267HC	33	1,795	59,235		4,590,713
	Machinery For Making or Repairing Footware: EMBOSSING MACHINE	Z15000	36	3,345	120,420		9,332,550
	Total				1,347,462		104,428,305
Installation & Others expenses	(L/C Commission & Other Charges, Insurance, Other customs related charges C & F Commission and Other Charges, Installation charges, Carrying Charge						5,088,695
	Total Cost of Machinery						109,517,000

- (b) Where the sponsors' contribution or privately placed fund has been brought prior to the public issue and has already been deployed by the issuer, indication of use of such funds in the cash flow statement;

Indication of use of privately placed fund in the statement of cash flows

TK. 653,850,000/- (Sixty Five Crore Thirty Eight Lac Fifty Thousand) has been raised through private placement prior to the public issue on dated 08.07.2015. This fund has already deployed by the issuer in the following manner:

Accounting Year	Items	Amount in BDT	Reflected in Cash Flows
31-May-11	Capital Work in Progress	40,988,220	In the statement of Cash Flows, the figure is included in total amount of Capital Work in Progress under the head of Investing Activities.
31-May-12	Acquisition of Property, Plant & Equipment	170,919,915	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Working capital	25,615,865	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
31-May-13	Acquisition of Property, Plant & Equipment	159,160,036	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Working capital	40,439,964	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
31-May-14	Acquisition of Property, Plant & Equipment	16,156,000	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
31-May-15	Acquisition of Property, Plant & Equipment	160,397,546	In the statement of Cash Flows, the figure is included in total amount of fixed assets acquisition under the head of Investing Activities.
	Capital Work in Progress	19,678,077	In the statement of Cash Flows, the figure is included in total amount of Capital Work in Progress under the head of Investing Activities.
	Advance for Share of Bangladesh Shoes Industries Ltd	20,000,000	In the statement of Cash Flows, the figure is included in total amount of Advance for Share of Bangladesh Shoes Industries Ltd under the head of Investing Activities.
	Financial Expenses	1,505	In the statement of Cash Flows, the figure is included in total amount of Financial Expenses under the head of operating Activities.
29-Feb-16	Working capital	492,872	In the statement of Cash Flows, this figure is included as Payment to creditors, suppliers and for expenses under the head of operating Activities.
Total		653,850,000	

Mentionable here that, we received share money deposit in the year 2011, 2012, 2013 2014 and 2015 before obtaining consent from Bangladesh Securities and Exchange Commission on 08.07.2015. As such we used this fund earlier from consent date.

- (c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objects to investment in such type of ventures by using IPO proceeds.

- (d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

IPO proceeds is sufficient enough to complete the project. It is mention worthy that Islami Bank Bangladesh Ltd. earlier sanctioned Tk. 3.00 Crore for additional construction of the building for the period of 5 (five) years. Bank financed was 57% of the construction cost. However, Later the management of FSL decided not to take any loan from Islami Bank Bangladesh for construction of the additional building. Hence, the sanctioned loan of Tk. 3 crore from Islami Bank Bangladesh Bank Ltd. has no relation with this project.

- (e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

Sl. No.	Progress made so far		Approximate date of Completion	Projected date of full commercial Operation
1	Land	No land is required to acquired, it will be established in the own land of Fortune Shoes Limited	Within 18 months after receiving IPO fund	Within three month of the completion of the project
2	Construction of Building	Civil works will be started after receiving IPO Fund.		
3	Acquisition of Machinery & Equipment	Acquisition and Installation of plant & Machinery will be started after receiving IPO Fund.		

Sd/-

Mrs. Rokshana Rahman
Managing Director

Sd/-

Md. Mohiuddin Mollah
Chief Financial Officer

Sd/-

Md. Mizanur Rahman
Chairman

- (f) If there are contracts covering any of the activities of the issuer 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 issuer shall disclose the terms of such contracts, and copies of the contracts shall be closed as annexure to the prospectus;

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

- (g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;

No objects of the issue are utilization of the issue proceeds for working capital.

- (h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;

The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

- (i) **Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;**

The Company has a plan to implement the expansion by using IPO proceeds, which have been mentioned in use of IPO Proceeds and project implementation schedule.

- (j) **The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;**

There is no such material transaction with sponsors, directors, key management personnel, associates and group companies in relation to utilization of the issue proceeds.

- (k) **Summary of the project appraisal/feasibility report by the relevant professional people with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal/feasibility report.**

Feasibility Report of Fortune Shoes Limited

Executive Summary

Fortune Shoes Limited (FSL) is the manufacturer and exporter of world-class all kinds of shoes and other footwear. FSL was incorporated as a Private Limited company on March 14, 2010 and subsequently converted into a public limited company on January 14, 2015. The Company started its commercial operation on September 07, 2011. FSL's registered office is situated at Moon Island, Suite # C-03, Plot # 34 & 36, Road # 08, Block # E, Niketon, Gulshan-01, Dhaka-1212 and Factory is located at Plot # 66, 67 & 68, BSCIC Industrial Estate, Kawnia, Barisal, Bangladesh. Every organization has some purposes for the expansion program. Some projections regarding profitability and other financial issues are analyzed. FSL has made projections of Statement of Financial Position and Statement of Comprehensive Income for the upcoming three reporting years. This Feasibility Report discusses and shows the various aspects of Expansion Program of Fortune Shoes Limited (FSL).

Introduction

Fortune Shoes Ltd. is a 100% export oriented shoes company. Fortune Shoes Limited (Former Furtune Shoes Limited) was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. CH-7590/10 of 2010 dated on March 14, 2010 by the Registrar of Joint Stock Companies & Firms. The Company Converted into public Limited Company and split of Share value from Tk. 100 to Tk. 10 dated on January 14, 2015.

Vision

To seek for the leadership position for manufacturing and exporting all kinds of shoes and other footwear.

Mission

To manufacture and export world-class all kinds of shoes and other footwear.

Nature of Business

The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc.

Principal products of the Company

The main products and services of the Company are:

Product Name	Market
--------------	--------

Sports shoes, Leather shoes and other footwear	It exports to customers in different countries
--	--

Utility Consumption

Power:

Company has electric connection from Power Development Board (PDB), Barisal and captive power supply facilities by 2 diesel generators of 600 KVA capacities are used to avoid interruption of power supply.

Water:

FSL uses water for daily factory operation from BSCIC.

GAS:

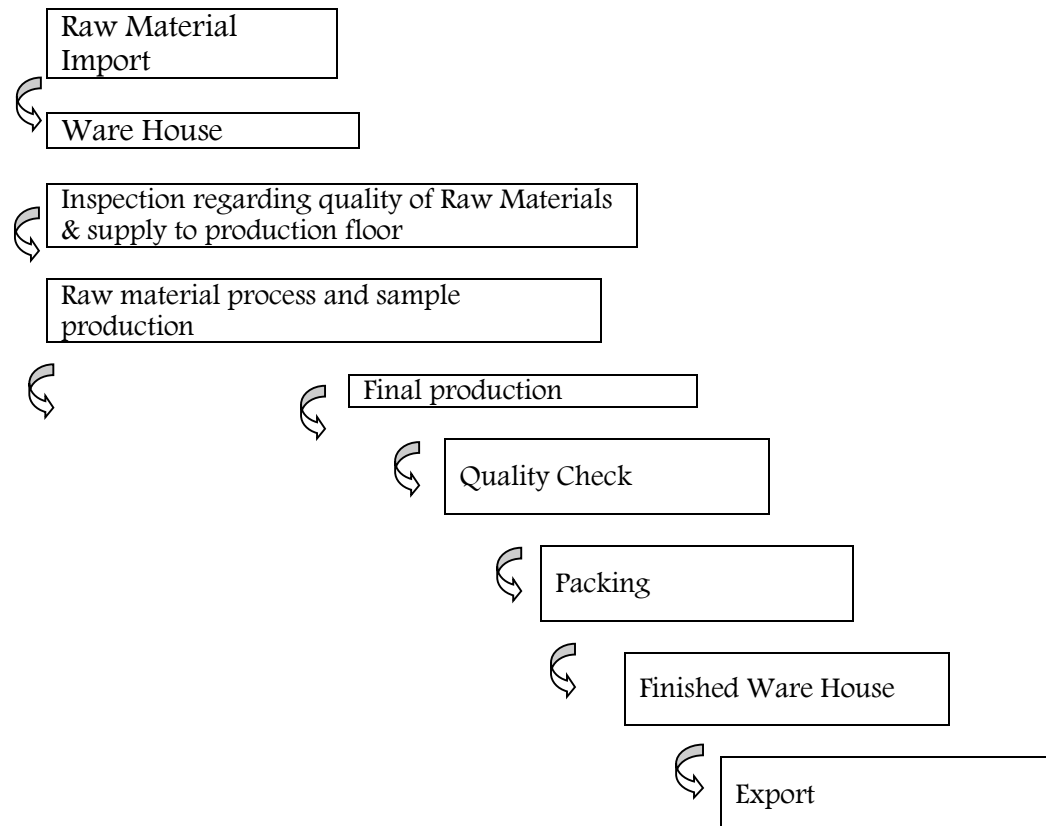
The company does not require gas for manufacturing operation in any of the production line.

Product Marketplace

Fortune Shoes Ltd. is a 100% export oriented shoes company. Its products are marketed based on buyer's requirement. It exports different types of shoes against L/C.

Distribution of Products

The distribution process may demonstrate as follows:



Methodology

We have considered our historical data of our last few year's revenue and expenses. We have also talked with our staffs. The interviews provided us with the relevant information concerning all aspects sales and expenses. The responses to these open-ended questions have allowed us to have a greater depth of knowledge into their opinions and so we were able to address them to the best of our ability. Every interview had a different idea that is important to the effects of the implementation of sales growth, and enough background information was included.

Financial Projections

The financial projections for Fortune Shoes Limited (FSL) are highlighted in the table below. These figures account for projected productions, sales and additional staffing requirements. There are many ways to present these projections.

The assumptions for these projections are as follows:

(Each year calculation is made comparing with respective previous year)

The projected financial statement has been prepared on underlying assumption				
Assumption indicator	Assumption's Basis	Assumptions Years		
		31-May-16	31-May-17	31-May-18
Capacity Increase	Capacity will be increased as new machineries will be introduced.	22%	17%	11%
Capacity Utilization	Capacity utilization will be almost same.	70-75%	70-75%	70-75%
Sales Revenue Increase	Sales will be increased for qualitative products by the increase of sales volume and unit price.	35%	15%	13%
Operating Expenses Increase/ (Decrease)	Operating expenses will be increased due to increase of production and sales. IPO expense will lead to the higher increase of Operating expenses in the year 2016.	76%	(12.46%)	14%
Property, Plant and Equipment Addition	Property, Plant and Equipment will be increased in every year for the purpose of production increase.	183,371,339	181,127,785	48,000,000
Paid up Capital Increase	Paid up capital has been increased through capital raising of Tk. 653,850,000 in FY 2015-2016. Paid up Capital will be increased by Tk. 220,000,000 through IPO in the same Financial Year.	873,850,000	-	-
Long term Loan Repayment	Current portion of long term loan will be paid in 2016. Long term loan are expected to be paid fully in 2017.	4,915,577	25,830,579	-
Dividend	Dividend is not considered here as the decision is not predetermined.	-	-	-

Statement of Financial Position (Projected)

Particulars	Amount in Taka			
	31-May-2015	31-May-2016	31-May-2017	31-May-2018
<u>ASSETS</u>				
<u>A : Non-Current Assets</u>	658,826,978	749,393,296	870,861,575	856,786,051
Property, Plant & Equipment	619,572,839	749,393,296	870,861,575	856,786,051
Capital Work in Progress	39,254,139	-	-	-
<u>B : Current Assets</u>	531,244,496	790,824,219	824,153,289	1,033,344,380
Inventories	172,754,228	314,498,405	336,513,293	420,641,617
Trade and other receivables	313,467,591	405,278,794	419,595,521	529,342,379
Advance, Deposits and Prepayments	35,872,789	58,373,173	53,768,347	66,933,914
Cash and Cash Equivalents	9,149,888	12,673,847	14,276,127	16,426,470
Total Assets (A+B)	1,190,071,474	1,540,217,515	1,695,014,863	1,890,130,431
<u>EQUITY AND LIABILITIES</u>				
<u>C : Shareholder's Equity</u>	959,651,428	1,302,782,785	1,453,383,380	1,628,415,263
Share Capital	96,150,000	970,000,000	970,000,000	970,000,000
Share Money Deposit	653,850,000	-	-	-
Retained Earnings	209,651,428	332,782,785	483,383,380	658,415,263
<u>D : Non-Current Liabilities</u>	58,531,898	52,073,533	39,306,670	45,485,517
Long Term Loan	25,830,579	21,218,029	-	-
Deferred Tax Liability	32,701,319	30,855,504	39,306,670	45,485,517
<u>E : Current Liabilities</u>	171,888,148	185,361,197	202,324,812	216,229,651
Current Maturity of Long Term Loan	4,915,577	4,612,550	-	-
Short Term Borrowings	28,315,316	36,809,911	40,490,902	43,730,174
Trade and Other Payable	138,657,255	143,938,736	161,833,910	172,499,477
Total Liabilities (D+E)	230,420,046	237,434,730	241,631,483	261,715,168
Total Equity and Liabilities (C+D+E)	1,190,071,474	1,540,217,515	1,695,014,863	1,890,130,431

*** 31st May, 2015 is audited.

Statement of Comprehensive Income (Projected)

Particulars	Amount in Taka			
	31-May-2015	31-May-2016	31-May-2017	31-May-2018
(A) Turn Over	915,488,698	1,235,909,742	1,421,296,204	1,606,064,710
(B) Cost of goods sold	753,608,282	1,015,917,808	1,168,305,479	1,320,185,192
(C) Gross Profit (A-B)	161,880,416	219,991,934	252,990,724	285,879,518
(D) Operating Expenses	40,917,446	72,029,378	63,053,784	71,881,314
Administrative Expenses	40,917,446	72,029,378	63,053,784	71,881,314
(E) Profit from Operation (C-D)	120,962,970	147,962,556	189,936,940	213,998,204
(F) Financial Expenses	7,857,570	9,350,508	8,163,498	6,900,228
Profit before Income Tax	113,105,400	138,612,048	181,773,442	207,097,976
Provision for taxation	19,793,444	15,480,691	31,172,847	32,066,093
Current Tax Expense	10,629,616	17,326,506	22,721,680	25,887,247
Deferred Tax Expense/ (Income)	9,163,828	(1,845,815)	8,451,167	6,178,846
Profit for the Year	93,311,956	123,131,357	150,600,595	175,031,883
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Year	93,311,956	123,131,357	150,600,595	175,031,883

*** 31st May, 2015 is audited.

*** Dividend is not considered.

Conclusion

The feasibility of the project has been conducted and analyzed from the view point of marketing, financial, management & economic aspects and found to be worthwhile. The projected financial results and the profitability estimated based on historical data shows that the project is viable and lucrative. This projection will help the interested parties to have an idea over the Fortune Shoes Limited (FSL).

Sd/-
Mahbub H. Mazumdar FCMA
Mazumdar Sikder and Associates
Cost & Management Accountants

Date: September 22, 2015

CHAPTER (XXIII): LOCK-IN

(a) Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

- (1) All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding 5% or more shares, other than alternative investment funds, for 03(three) years;
- (2) All shares allotted, before 02(two) years of according consent to the public offer, to any person, other than alternative investment funds, for 03(three) years;
- (3) In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, within preceding 12 (twelve) months of submitting an application for raising of capital or initial public offer (IPO), all shares held by those transferee shareholders, for 03(three) years;
- (4) 25% of the shares allotted to eligible investors, for 03 (three) months and other 25% of the shares allotted to them, for 06 (six) months;
- (5) All shares held by alternative investment funds, for 01(one) year; and
- (6) Shares allotted, within two years of according consent to the public offer, to any person other than the shares mentioned in sub-rules (1), (2), (3), (4), and (5) above, for 01(one) year.

(b) The following table indicates the Lock-In status of the shareholders of Fortune Shoes Limited:

Sl.	Name Shareholders	Position	No. of Shares	Holding %	BO ID	Date of 1 st acquisition	Lock-in period*
1	Md. Mizanur Rahman	Chairman	21,750,000	29.00%	1205150060674778	14-Mar-10	3 Yrs.
2	Md. Amanur Rahman	Director	2,750,000	3.67%	1205150060675242	14-Mar-10	3 Yrs.
3	Md. Robiul Islam	Director	2,750,000	3.67%	1205150060675135	14-Mar-10	3 Yrs.
4	Mrs. Rokshana Rahman	Managing Director	2,750,000	3.67%	1205150060676410	14-Mar-10	3 Yrs.
5	Md. Khosrul Islam	Sponsor & Shareholder	5,000	0.01%	1601880061156500	8-Jan-15	3 Yrs.
6	Md. Muslim Mizi	Shareholder	2,000,000	2.67%	1202610046727909	6-Jan-15	1 Yr.
7	Md. Samsul Haque	Shareholder	2,000,000	2.67%	1201510046890762	6-Jan-15	1 Yr.
8	Monir Hossain	Shareholder	1,500,000	2.00%	1202610046727877	6-Jan-15	1 Yr.
9	Md. Khalilur Rahman	Shareholder	1,500,000	2.00%	1201510046890754	6-Jan-15	1 Yr.
10	Md. Afzal Hossain Chowdhury	Shareholder	1,500,000	2.00%	1203710047501505	6-Jan-15	1 Yr.
11	Md. Rafiqul Islam	Shareholder	1,500,000	2.00%	1203120049558285	6-Jan-15	1 Yr.
12	Mohammed. Morshed Alam	Shareholder	1,500,000	2.00%	1202610046727925	6-Jan-15	1 Yr.
13	Md. Jahangir Alam	Shareholder	1,000,000	1.33%	1201510046890746	6-Jan-15	1 Yr.
14	Md. Delower Hossain	Shareholder	1,000,000	1.33%	1202610046727917	6-Jan-15	1 Yr.
15	Md. Shahfiqul Islam	Shareholder	1,000,000	1.33%	1202610046727893	6-Jan-15	1 Yr.
16	Al-Haj Md. Ramzan Hossain	Shareholder	100,000	0.13%	1202320049784682	8-Jan-15	1 Yr.

17	Md. Ashfaqul Alam	Shareholder	100,000	0.13%	1202610009553974	8-Jan-15	1 Yr.
18	Md. Abbas Ali Khan	Shareholder	100,000	0.13%	1201900043550138	8-Jan-15	1 Yr.
19	Global Shoes Ltd.	Shareholder	3,645,000	4.86%	1201960053332061	8-Jan-15	1 Yr.
20	Bangladesh Shoes Industries Ltd.	Shareholder	150,000	0.20%	1201960052123000	8-Jan-15	1 Yr.
21	Shammi Akter (Shibli)	Shareholder	1,000,000	1.33%	1205150047103162	8-Jan-15	1 Yr.
22	Md. Matiur Rahman	Shareholder	500,000	0.67%	1201960042223806	8-Jan-15	1 Yr.
23	Farzana Rahman	Shareholder	1,650,000	2.20%	1205150047103154	8-Jan-15	1 Yr.
24	Ahmed Tawfiqur Rahman Arnab	Shareholder	900,000	1.20%	1201960058384794	8-Jan-15	1 Yr.
25	Mollika Mitra	Shareholder	300,000	0.40%	1204080061136557	8-Jan-15	1 Yr.
26	Zakera Parveen	Shareholder	200,000	0.27%	1202800017398801	8-Jan-15	1 Yr.
27	Roksana Akter	Shareholder	50,000	0.07%	1204500045098444	8-Jan-15	1 Yr.
28	Anwar Ispat Limited	Shareholder	2,000,000	2.67%	1205150021289581	8-Jan-15	1 Yr.
29	Bangladesh Finance and Investment Company Ltd.	Shareholder	500,000	0.67%	1205150002440950	8-Jan-15	1 Yr.
30	BD Finance Securities Limited	Shareholder	500,000	0.67%	1205150043284418	8-Jan-15	1 Yr.
31	BD Finance Capital Holdings Ltd	Shareholder	500,000	0.67%	1205150045165228	8-Jan-15	1 Yr.
32	S.M. Rezaul Hoque	Shareholder	750,000	1.00%	1201900021661651	8-Jan-15	1 Yr.
33	Afsar uz Zaman	Shareholder	1,200,000	1.60%	1204750000116935	8-Jan-15	1 Yr.
34	Runa Kashem	Shareholder	1,000,000	1.33%	1204750014332193	8-Jan-15	1 Yr.
35	Mohammad Moniruzzaman	Shareholder	1,000,000	1.33%	1204750061184597	8-Jan-15	1 Yr.
36	Mohammad Khairul Anam Chowdhury	Shareholder	1,000,000	1.33%	1204750033031254	8-Jan-15	1 Yr.
37	Md. Tazul Islam	Shareholder	1,000,000	1.33%	1202830048267036	8-Jan-15	1 Yr.
38	Md. Kabiruddin Ahmed	Shareholder	800,000	1.07%	1203040061488925	8-Jan-15	1 Yr.
39	Md. Hamid Ullah Khan	Shareholder	200,000	0.27%	1605550061066092	8-Jan-15	1 Yr.
40	Asif Iqbal Chowdhury	Shareholder	700,000	0.93%	1605550059758671	8-Jan-15	1 Yr.
41	Shanzida Akther Khanam	Shareholder	200,000	0.27%	1605550061065189	8-Jan-15	1 Yr.
42	Tasren Mujib	Shareholder	300,000	0.40%	1205150055073033	8-Jan-15	1 Yr.
43	Md. Saroar Hossain	Shareholder	400,000	0.53%	1605550061674266	8-Jan-15	1 Yr.
44	Homayra Binte Wali	Shareholder	300,000	0.40%	1202830048324805	8-Jan-15	1 Yr.
45	Touhida Shirin	Shareholder	300,000	0.40%	1202830048324920	8-Jan-15	1 Yr.
46	Md. Ahsanul Hoque	Shareholder	100,000	0.13%	1204500060616516	8-Jan-15	1 Yr.
47	Md. Tarequl Islam	Shareholder	100,000	0.13%	1202750003769587	8-Jan-15	1 Yr.
48	Md. Azizul Islam	Shareholder	100,000	0.13%	1605550061679269	8-Jan-15	1 Yr.
49	Md. Faisal Rahmatullah Ferdous	Shareholder	100,000	0.13%	1202610061015364	8-Jan-15	1 Yr.
50	Md. Shamsul Alam	Shareholder	1,000,000	1.33%	1205590052168963	8-Jan-15	1 Yr.
51	Shamima Akter	Shareholder	250,000	0.33%	1202830048268769	8-Jan-15	1 Yr.
52	Abdur Razzak	Shareholder	205,000	0.27%	1203390034541484	8-Jan-15	1 Yr.
53	Zannatul Ferdouse	Shareholder	150,000	0.20%	1201960061146008	8-Jan-15	1 Yr.

54	Md. Mokhlesur Rahman	Shareholder	100,000	0.13%	1201980023602108	8-Jan-15	1 Yr.
55	Mrs. Rebeka Sultana	Shareholder	100,000	0.13%	1201960061181534	8-Jan-15	1 Yr.
56	Md. Motier Rahman	Shareholder	25,000	0.03%	1204520047995032	8-Jan-15	1 Yr.
57	Sk. Sajib Ahmed	Shareholder	25,000	0.03%	1204520046291261	8-Jan-15	1 Yr.
58	Chowdhury Khaled Masood	Shareholder	100,000	0.13%	1202610061007853	8-Jan-15	1 Yr.
59	Asad Chowdhury	Shareholder	50,000	0.07%	1203140045559919	8-Jan-15	1 Yr.
60	Tapan Kumar Roy	Shareholder	5,000	0.01%	1203800023669427	8-Jan-15	1 Yr.
61	Syed Iqbal Hossain	Shareholder	50,000	0.07%	1204070020769872	8-Jan-15	1 Yr.
62	Serajul Mostofa Al-Faruque	Shareholder	50,000	0.07%	1201960061188362	8-Jan-15	1 Yr.
63	Md. Nurul Haque Talukder	Shareholder	50,000	0.07%	1201930055115265	8-Jan-15	1 Yr.
64	Md. Shahabuddin	Shareholder	100,000	0.13%	1201960061189027	8-Jan-15	1 Yr.
65	Mohammad Faisal	Shareholder	50,000	0.07%	1201630021491598	8-Jan-15	1 Yr.
66	Md. Nurul Huda	Shareholder	300,000	0.40%	1201960060739949	8-Jan-15	1 Yr.
67	Md. Nazmul Hasan	Shareholder	100,000	0.13%	1201580032600621	8-Jan-15	1 Yr.
68	A.K.M. Zakir Hossain	Shareholder	250,000	0.33%	1601880003715325	8-Jan-15	1 Yr.
69	Mohammad Jainal Abedin	Shareholder	50,000	0.07%	1203710020413166	8-Jan-15	1 Yr.
70	Rifat Tanjir Rimi	Shareholder	200,000	0.27%	1202140003913521	8-Jan-15	1 Yr.
71	Md. Mamun Ahmmed	Shareholder	100,000	0.13%	1202020010843541	8-Jan-15	1 Yr.
72	Md. Ashiqur Rahman	Shareholder	100,000	0.13%	1202610057685803	8-Jan-15	1 Yr.
73	Md. Moallem Hossain	Shareholder	10,000	0.01%	1203570056536533	8-Jan-15	1 Yr.
74	Md. Tofazzal Hossain Forhad	Shareholder	10,000	0.01%	1201960061156578	8-Jan-15	1 Yr.
75	Razia Sultana	Shareholder	250,000	0.33%	1201960061145999	8-Jan-15	1 Yr.
76	Hazara Khatun	Shareholder	500,000	0.67%	1201960001816967	8-Jan-15	1 Yr.
77	Salena Akter (Poly)	Shareholder	300,000	0.40%	1202790017759537	8-Jan-15	1 Yr.
78	Ziaul Ahsan	Shareholder	500,000	0.67%	1201960061145980	8-Jan-15	1 Yr.
79	Md. Nesar Uddin	Shareholder	200,000	0.27%	1201960032064919	8-Jan-15	1 Yr.
80	Md. Rasiduzzaman	Shareholder	10,000	0.01%	1205150054201081	8-Jan-15	1 Yr.
81	Mazeda Bugum	Shareholder	20,000	0.03%	1203680060198970	8-Jan-15	1 Yr.
82	Md. Zafran Tareque Chowdhury	Shareholder	10,000	0.01%	1202030055822510	8-Jan-15	1 Yr.
83	Mohammad Musa	Shareholder	1,000,000	1.33%	1204750012709151	8-Jan-15	1 Yr.
84	S.M Safiullah	Shareholder	130,000	0.17%	1203940025962735	8-Jan-15	1 Yr.
85	Feroza Begum	Shareholder	50,000	0.07%	1201960061181526	8-Jan-15	1 Yr.
86	Md. Nasir Uddin	Shareholder	50,000	0.07%	1202420056798434	8-Jan-15	1 Yr.
87	Rafeza Akhter	Shareholder	50,000	0.07%	1204070002977406	8-Jan-15	1 Yr.
88	SK. Md. Fanafillah	Shareholder	50,000	0.07%	1605420047139201	8-Jan-15	1 Yr.
89	A.T.M Fazlul Gani Siddiquee	Shareholder	50,000	0.07%	1203010038090675	8-Jan-15	1 Yr.
90	Mir Md. Jainul Abedin Shebly	Shareholder	50,000	0.07%	1205150055150387	8-Jan-15	1 Yr.

91	Jannatun Nessa	Shareholder	50,000	0.07%	1205720059725609	8-Jan-15	1 Yr.
92	Md. Abul Hossain	Shareholder	50,000	0.07%	1605420047147839	8-Jan-15	1 Yr.
93	Kazi Abu Taher	Shareholder	50,000	0.07%	1204350055088828	8-Jan-15	1 Yr.
94	Md. Ghulam Hossain	Shareholder	100,000	0.13%	1201960061156586	8-Jan-15	1 Yr.
95	Md. Safiul Azam	Shareholder	300,000	0.40%	1205150060674510	8-Jan-15	1 Yr.
96	Mrs. Reshma Akter	Shareholder	300,000	0.40%	1205150060674529	8-Jan-15	1 Yr.
97	Md. Ferdous Jaman	Shareholder	300,000	0.40%	1203710048456909	8-Jan-15	1 Yr.
98	Nazia Akter	Shareholder	200,000	0.27%	1202610048464551	8-Jan-15	1 Yr.
99	Samaresh Banik	Shareholder	250,000	0.33%	1204230033656585	8-Jan-15	1 Yr.
100	Md.Shamsul Haque	Shareholder	500,000	0.67%	1201690000776633	8-Jan-15	1 Yr.
Total			75,000,000	100.00%			

[From the issue date of Prospectus]

CHAPTER (XXIV): MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:



Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000; and



Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sheikh Mujib Road, Chittagong.

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN “N” CATEGORY

CHAPTER (XXV): DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(a) Dividend, voting and preemption rights;

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) Conversion and liquidation rights;

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) Dividend policy;

- 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. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

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 (XXVI): FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY, 2016

- (a) The latest financial statements prepared and audited by the Commission's panel auditors in adherence to the provisions of the Securities and Exchange Rules, 1987, the Companies Act, 1994, International financial Reporting and Auditing Standards as adopted in Bangladesh from time to time and Financial Reporting Act;

**Independent Auditors Report to the shareholders
On the Financial Statements of
Fortune Shoes Limited**

We have audited the accompanying Financial Statements of **Fortune Shoes Limited** as at 29 February 2016 which comprises Statement of Financial Position as at 29 February 2016 and also the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the period then ended together with relevant notes annexed thereto.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs)/Bangladesh Accounting Standards, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Basis of Opinion

We have conducted audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS) / Bangladesh Financial Reporting Standard (BFRS) present fairly in all material respects the financial position as at 29 February 2016 and the result of its operation and cash flows for the period then ended and comply with the Companies Act, 1994, The Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We further report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the company's financial statements dealt with by the report are in agreement with the books of accounts; and
- d) the expenditure incurred was for the purpose of the company's business.

Dated, Dhaka;
8 June, 2016

Sd/-
MAHFEL HUQ & Co.
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Financial Position
As at February 29, 2016

Particulars	Notes	Amount in Taka	
		29-Feb-2016	31-May-2015
<u>ASSETS</u>			
<u>Non Current Assets</u>			
Property, Plant & Equipment	3	654,760,405	658,826,978
Capital Work in Progress	4	620,472,553	619,572,839
		34,287,852	39,254,139
<u>Current Assets</u>			
Inventories	5	561,209,373	531,244,496
Trade and Other Receivables	6	208,291,382	172,754,228
Advance, Deposits and Prepayments	7	331,297,796	313,467,591
Cash and Cash Equivalents	8	11,231,893	35,872,789
		10,388,302	9,149,888
Total Assets		1,215,969,778	1,190,071,474
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholder's Equity</u>			
Share Capital	9	1,030,990,701	959,651,428
Share Money Deposit	10	750,000,000	96,150,000
Retained Earnings		-	653,850,000
		280,990,701	209,651,428
<u>Non-Current Liabilities</u>			
Long Term Loan net off Current Maturity	11	56,932,336	58,531,898
Deferred Tax Liability	19	19,668,623	25,830,579
		37,263,713	32,701,319
<u>Current Liabilities</u>			
Current Maturity of Long Term Loan	11	128,046,741	171,888,148
Short Term Borrowings	12	3,742,952	4,915,577
Trade and Other Payable	13	24,270,331	28,315,316
		100,033,458	138,657,255
Total Liabilities		184,979,077	230,420,046
Total Equity and Liabilities		1,215,969,778	1,190,071,474
Net Asset Value (NAV) per share	21	13.75	31.80
Net Asset Value (NAV) per share (adjusted)		13.75	12.80

The annexed notes form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

Signed as per our separate report on same date

Dhaka
Date: June 8, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Profit or Loss and Other Comprehensive Income
For the period from 01 June 2015 to 29 February 2016

Particulars	Notes	Amount in Taka			
		01 Jun 2015 to 29 Feb 2016	01 Jun 2014 to 28 Feb 2015	1 Dec 2015 to 29 Feb 2016	1 Dec 2014 to 28 Feb 2015
Turnover	14	738,615,248	697,101,536	248,436,254	236,816,249
Cost of Goods Sold	15	608,554,442	573,827,729	204,466,258	195,065,684
Gross Profit		130,060,806	123,273,808	43,969,996	41,750,565
Operating Expenses		31,110,848	31,202,752	10,716,325	10,746,851
Administrative & Selling Expenses	16	31,110,848	31,202,752	10,716,325	10,746,851
Profit from Operation		98,949,958	92,071,056	33,253,671	31,003,714
Financial Expenses	17	5,570,060	5,621,726	1,916,248	1,887,643
Foreign Exchange Gain/(Loss)		(32,083)	2,566	(11,124)	924
Profit before Income Tax		93,347,815	86,451,896	31,326,299	29,116,995
Provision for Taxation		16,335,868	15,129,081	5,482,102	5,095,474
Current Tax Expense	18	11,773,474	7,875,783	3,947,515	2,672,288
Deferred Tax Expense	19	4,562,394	7,253,298	1,534,587	2,423,186
Profit for the Year		77,011,947	71,322,814	25,844,197	24,021,521
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the Year		77,011,947	71,322,814	25,844,197	24,021,521
Earnings per Share(Basic)	20	1.03	7.42	0.34	2.50
No. of Shares consider for EPS calculation		75,000,000	9,615,000	75,000,000	9,615,000
Earnings per Share(Adjusted)	20	1.03	0.95	0.34	0.32
No. of Shares consider for EPS calculation		75,000,000	75,000,000	75,000,000	75,000,000

The annexed notes form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

Signed as per our separate report on same date

Dhaka
Date: June 8, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Changes in Equity
For the period from 01 June 2015 to 29 February 2016

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on June 01, 2015	96,150,000	209,651,428	653,850,000	959,651,428
Prior year adjustment for Depreciation charge to Land Development	-	(2,774,946)	-	(2,774,946)
Short Provision of Income tax Expenses for previous years	-	(2,897,727)	-	(2,897,727)
Total Comprehensive Income for the Year	-	77,011,947	-	77,011,947
Issue of Share Capital	653,850,000	-	(653,850,000)	-
Balance as on Feb 29, 2016	750,000,000	280,990,701	-	1,030,990,701

FORTUNE SHOES LTD.
Statement of Changes in Equity
For the period from 01 June 2014 to 28 February 2015

Particulars	Ordinary Share Capital	Retained Earnings	Share Money Deposit	Total
Balance as on June 01, 2014	5,500,000	161,876,963	521,930,000	689,306,963
Adjustment for Deferred Tax	-	(23,537,491)	-	(23,537,491)
Addition during the year	-	-	200,570,000	200,570,000
Issue of Share Capital	68,650,000	-	(68,650,000)	-
Total Comprehensive Income for the Year	-	71,322,814	-	71,322,814
Issue of Bonus Share	22,000,000	(22,000,000)	-	-
Balance as on Feb28, 2015	96,150,000	187,662,286	653,850,000	937,662,286

The annexed notes form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

Signed as per our separate report on same date

Dhaka
Date: June 8, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

FORTUNE SHOES LTD.
Statement of Cash Flows
For the period from 01 June 2015 to 29 February 2016

	Amount in Taka	
	01 Jun 2015 to 29 Feb 2016	01 Jun 2014 to 28 Feb 2015
Cash Flow From Operating Activities:		
Collection from Turnover	720,752,960	637,714,547
Payment to Suppliers	(561,869,809)	(490,602,689)
Payment to Employees	(80,591,085)	(73,435,464)
Payment to Others	(28,466,040)	(31,837,022)
Cash Generated from Operation	<u>49,826,026</u>	<u>41,839,372</u>
Income Tax paid	(14,648,579)	(3,908,910)
Payment for financial Expenses	(5,570,060)	(4,728,087)
Net cash flow from Operating activities	<u>29,607,388</u>	<u>33,202,375</u>
Cash Flow From Investing Activities:		
Acquisition of Property Plant and Equipment	(2,701,556)	(160,397,546)
Payment for Capital Work in Progress	(34,287,852)	(36,133,273)
Received/(Payment) of Advance for Share of Bangladesh Shoes Industries Ltd.	20,000,000	(20,000,000)
Net cash flow from Investing activities	<u>(16,989,408)</u>	<u>(216,530,819)</u>
Cash Flow From Financing Activities:		
Issuance of Share Capital	-	68,650,000
Net Received/(Repayment) in Short term loan from bank	(4,044,985)	(4,612,165)
Net Received/(Repayment) in Long term loan from bank	(7,334,581)	(3,090,153)
Received of Share Money Deposit	-	131,920,000
Net Cash flow from financing activities	<u>(11,379,566)</u>	<u>192,867,682</u>
Net Increase/(Decrease) cash and cash equivalents	1,238,414	9,539,239
Opening cash and cash equivalents	9,149,888	7,560,939
Closing cash and cash equivalents	<u><u>10,388,302</u></u>	<u><u>17,100,178</u></u>
Net Operating Cash Flow per Share	0.39	3.45

The annexed notes form an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Managing Director

Sd/-
Chairman

Signed as per our separate report on same date

Dhaka
Date: June 8, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

FORTUNE SHOES LTD.
Notes to the Financial Statements
For the period ended on 29 February 2016

1. SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATERIAL INFORMATION:

1.01 Legal form of the Enterprise:

Fortune Shoes Ltd. was incorporated on 14 March, 2010 vide registration no.CH-7590/10 as a private limited company in Bangladesh under the Companies Act 1994. The company changed its name from “Furtune Shoes Ltd.” to “Fortune Shoes Ltd.” on 29 December 2014. Further it was converted into Public Limited Company on 14 January 2015.

1.02 Registered Office and Factory Address of the Company:

The registered office of the Company is located at Moon Island (suit #C-3), Plot No-34 & 36, Road#8, Block E, Niketon, Gulshan-1, Dhaka 1212, Bangladesh.

Factory of the company is situated at Plot # 66, 67 & 68 BSCIC Industrial area, Kawnia, Barisal.

1.03 Principal activities and nature of the business:

The company is 100% export oriented and the principal activities of the company are to carry on the business of manufacturing and exporting of all kinds of leather shoes, footwear etc.

2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws & regulations in Bangladesh.

2.01. Principal Accounting Policies

Specific accounting policies were selected and applied by the company’s management for significant transactions and events that have a material effect within the framework of BAS-1 “Presentation of Financial Statements” in preparation and presentation of financial statements. The previous years’ figures were presented according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation principles affecting the financial position and performance of the company. However, changes made to the presentation are explained in the note for each respective item.

2.02 Changes in Accounting Policies & Estimates:

The preparation of these financial statements is in conformity with BASs/BFRSs which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation. The company made a policy to charge depreciation on land development from this year and made necessary retrospective adjustment in the changes in equity.

2.03 Application of Bangladesh Accounting Standards:

The following BASs are applicable for the financial statements for the year under review:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
BAS 10	Events after the Reporting Period

- BAS 12 Income Taxes
- BAS 16 Property, Plant and Equipment
- BAS 17 Leases
- BAS 18 Revenue
- BAS 19 Employee Benefits
- BAS 21 The Effects of Changes in Foreign Exchange Rates
- BAS 23 Borrowing Costs
- BAS 24 Related Party Disclosure
- BAS 33 Earnings per Share
- BAS 34 Interim Financial Reporting
- BAS 37 Provisions, Contingent Liabilities and Contingent Assets

2.04 Statement of Cash Flows:

Statement of Cash flows is prepared in accordance with BAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of BAS-7 which provides that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

2.05 Property, Plant and Equipment:

All property, plant and equipment are initially accounted for at cost and depreciated over their expected useful life in accordance with BAS-16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and nonrefundable taxes. Expenses capitalized also include applicable borrowing cost.

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 statement of profit or loss and comprehensive income which is determined with reference to the net book value of the assets and the net sales proceeds

2.05.01 Depreciation

No depreciation is charged on leasehold land. Depreciation is charged on all fixed assets on a reducing balance method. Depreciation of an asset begins when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation on Land Development has been charged from this year.

The annual rates of depreciation applicable to the principal categories of fixed assets are:

Particulars	Rate of Depreciation	
	2016	2015
Land	0%	0%
Land Development	2%	-
Factory Buildings	2.50%	2.50%
Office Building	10%	10%
Plant & Machinery	10%	10%
Substation, Electrical Installation & Equipment	10%	10%
Generator	10%	10%
Vehicles	20%	20%
Furniture and Fixture	10%	10%
Office Equipment	20%	20%
Fire Equipment	10%	10%
Air Conditions and Air Cooler	20%	20%

2.06 Revenue Recognition:

Revenue represents the invoice value of goods supplied to the customers during the period and it recognized in the statement of profit or loss and other comprehensive income when the significant

risk and rewards of ownership have been transferred to the buyer and by when the delivery certificate is raised against confirmed orders to the buyer. Revenue is measured at the fair value of the consideration received or receivable as per BAS 18.

2.07 Presentation of Current Assets:

2.07.01 Accounts Receivable:

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount was provided for as bad debt in the current period's account.

2.07.02 Inventories:

Inventories are measured at the lower of cost and net realizable value as prescribed by BAS-2. The cost of inventories is based on the FIFO method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the Case of manufactured inventories and work-in-progress, cost includes an appropriate allocation of production overheads based on normal operation capacity.

2.07.03 Cash & Cash Equivalents:

According to BAS 7 'Statement of Cash Flows ' cash comprises of cash in hand, demand deposits and Cash equivalents which are short term highly liquid investments that are readily convertible to Cash and which are subject to an insignificant risk of changes in value. BAS 1 "Presentation of Financial Statements" provides that Cash & Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.08 Employee Benefit Plan:

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 BAS 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:

Short Term Employee Benefits

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

2.9 Liabilities & basis of their measurement

2.9.1. Accrued Expenses and Other Payables

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

2.9.2. Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets are recognized in the following situations:

- a) when the company has an obligation (legal or constructive) as a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c) when reliable estimates can be made of the amount of the obligation.

The Company has no contingent liabilities & assets and its provision as per BAS 37 as on 29 February, 2016.

2.10 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year is recognized as revenue expenses in accordance with BAS-23 “Borrowing Costs”.

2.11. Related Party Disclosures

The Company in normal course of business carried out a number of transactions with other entities and Directors that fall within the definition of related party contained in BAS 24: Related Party Disclosures.

Details of related party disclosures are shown in Annexure 5.

2.12. Events after the Reporting Period

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

2.13 Income Tax

2.13.1 Current tax

As per Section 53BB of Income Tax Ordinance 1984, tax has been deducted at source from export proceeds @ 0.60% and the deduction amount is treated as the final settlement as final discharge of income tax liability of the company under the provision of section 82(C) vide SRO No. 217-Law/Income Tax/2012, dated June 27, 2012.

Tax rate of the company is 35%. As the company is 100% export oriented, Tax exemption of 50% is applicable as per 6th Schedule Part A, Para 28.

2.13.2 Deferred tax

Deferred tax arises due to temporary difference deductible or taxable for the events or transaction 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 BAS 12: Income Tax.

Deferred Tax impact has been measured and charged during the year.

2.14. Earnings per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.14.1. Basic Earnings

This represents earnings for the period attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

2.14.2. Weighted Average Number of Ordinary Shares Outstanding during the year

The basis of computation of number of shares is in line with the provisions of BAS-33: Earnings per

Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the period.

Additional Information on Financial Statements:

2.15 Responsibility for preparation and presentation of financial statements:

The company's management and the Board of Directors are responsible for the preparation and presentation of Financial Statements as per section 183 of the companies Act 1994.

2.16 Authorization date for issuing Financial Statements:

The financial statements were authorized by the Board of Directors on 07 June 2016.

2.17 Components of the Financial Statements:

According to BAS –1 “Presentation of the Financial Statements” the complete set of financial statement includes the following components

- a) Statement of Financial Position as at 29 February, 2016
- b) Statement of Profit or Loss and Comprehensive Income for the period from 01 June, 2015 to 29 February, 2016
- c) Statement of Changes in Equity for the period from 01 June, 2015 to 29, February 2016
- d) Statement of Cash Flows for the period from 01 June, 2015 to 29 February, 2016
- e) Notes to the financial statements.

2.18 Comparative Information:

In accordance with the provisions of BAS-34: Interim Financial Reporting, comparative information have been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per BAS-8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

2.19 General:

- i) The figure has been rounded off to the nearest taka.
- ii) The interim financial Statements have been prepared covering the period from June 01, 2015 to February 29, 2016 to work out the company's financial position and operating results as at and for the period ended on that date.

Amount in Taka	
29-Feb-2016	31-May-2015

3.00 Property Plant and Equipment :Tk. 620,472,553

This is made up as follows:

Particulars

Opening Balance	732,132,657	571,735,111
Addition During the year	41,955,695	160,397,546
Total Assets Value at cost	774,088,352	732,132,657
Accumulated Depreciation as at 29.02.2016	153,615,799	112,559,818
Written Down Value as at 29.02.2016	620,472,553	619,572,839

Details are shown in Annexure 1.

4.00 Capital Work in Progress: Tk. 34,287,852

This is made up as follows:

Particulars

Factory Building	-	14,331,532
Plant and Machinery	34,287,852	24,922,607
	34,287,852	39,254,139

Amount included in Capital work in progress as on 31.05. 2015 are transferred to Property, Plant and Equipment and Details of addition during the year is shown in Annexure 2

5.00 Inventories : Tk. 208,291,382

This is made up as follows:

Particulars

Raw Materials	15.01	117,467,544	107,458,673
Work in process	15.00	58,812,649	46,431,664
Finished Goods	15.00	28,234,835	14,628,320
Store Items	15.02(a)	3,776,354	4,235,571
	Total:	208,291,382	172,754,228

Details of Inventories movement during the year are shown in Annexure 3

6.00 Trade and other receivables : Tk. 331,297,796

The amount of receivable is against export bills as on February 29, 2016. This is considered as good & realizable and is secured by export letter of credit duly accepted by L/C opening bank.

Particulars

Bills Receivable		331,297,796	313,467,591
	Total:	331,297,796	313,467,591

Ageing of Accounts Receivable

More than six months	-	-
Less than six months	331,297,796	313,467,591
	331,297,796	313,467,591

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

Receivables considered good in respect of which the company is fully secured.	331,297,796	313,467,591
Receivables considered good in respect of which the company holds no security other than the debtor personal security.	-	-
Receivables considered doubtful or bad.	-	-
Receivable to Directors	-	-
Receivables due by common management.	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	331,297,796	313,467,591

Client wise details of Trade Receivables are as below:

Programme International Co. Ltd.	165,347,022	221,517,034
Theo Henkelman Schoenen BV	94,457,275	73,343,797
Nor Jump Company Ltd.	-	18,606,760
Dosenbach Schoenen BV	13,827,356	-
Theorema Scandinavia AB.	28,882,899	-
Gebrueder Hammig GMBH	28,783,244	-
	331,297,796	313,467,591

7.00 Advances, Deposits & Prepayments : Tk.11,231,893

This is made up as follows:

Particulars**Advance & Prepayments**

Advance to Employees	615,500	755,000
Advance for share of Bangladesh Shoes Industries Ltd.	-	20,000,000
Advance Income Tax 7.01	9,562,643	14,826,122
Advance Insurance Premium 7.02	1,053,750	291,667
Total:	11,231,893	35,872,789

7.01 Advance Income Tax : Tk. 9,562,643

This is made up as follows:

Particulars

Opening Balance	14,826,122	9,753,785
Add: Addition during the year	4,490,306	5,072,337
	19,316,428	14,826,122
Less: Adjustment During the year	9,753,785	-
Total:	9,562,643	14,826,122

7.02 Advance Insurance Premium : Tk. 1,053,750

This is made up as follows:

Particulars

Advance Insurance Premium-Opening	291,667	353,220
Add: Addition During This Year	1,264,500	500,000
	1,556,167	853,220
Less: Adjustment During the year	502,417	561,553
Total:	1,053,750	291,667

8.00 Cash and Cash Equivalent : Tk. 10,388,302

This is made up as follows:

Particulars

Cash in hand	2,234,168	1,981,689
Cash at Bank	8,154,134	7,168,199
Mutual Trust Bank Ltd. (0057-0210001847)	2,167,962	492,872
Islami Bank Bangladesh Ltd.(912)	79,225	6,468
Islami Bank Bangladesh Ltd.(114)	5,553,924	6,130,573
Islami Bank Bangladesh Ltd.(116)	353,023	538,286
Total:	10,388,302	9,149,888

9.00 Share Capital : Tk. 750,000,000**9.01 Authorized Share Capital : Tk. 1,500,000,000**

150,000,000 ordinary shares of Taka 10/= each.	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000

9.02 Issued, Subscribed, Called-up and Paid-up Share Capital : Tk. 750,000,000

72,300,000 ordinary shares of Tk. 10/= each fully paid-up	723,000,000	69,150,000
500,000 Bonus shares of Tk. 10/= each Issued in 2013	5,000,000	5,000,000
2,200,000 Bonus shares of Tk. 10/= each Issued in 2014	22,000,000	22,000,000
	<u>750,000,000</u>	<u>96,150,000</u>

Paid up capital of the company has been arised to tk. 750,000,000 divided into 75,000,000 ordinary shares of tk. 10 each through further allotment of Tk. 653,850,000 divided into 65,385,000 shares on 08.07.2015 out of share money deposit with due consent from BSEC no: BSEC/CI/CPLC(Pvt.)-632/2015/296 dated 29.06.2015.

The company split (Consolidated) its share from Tk. 100 to Tk. 10 on 14.01.2015

The shareholding position of the company is shown in Annexure 4.

10.00 Share Money Deposit : Tk. 0

This is made up as follows:

Particulars

Opening Balance	653,850,000	521,930,000
Addition during the year	-	200,570,000
Issue of Share Capital	(653,850,000)	(68,650,000)
Closing Balance	<u>-</u>	<u>653,850,000</u>

11.00 Long Term Loan net off Current Maturity : Tk. 19,668,623

This is made up as follows:

Particulars

Long Term Loan (Islami Bank Ltd.)	23,411,575	30,746,156
Less: Current Maturity	(3,742,952)	(4,915,577)
Total:	<u>19,668,623</u>	<u>25,830,579</u>

Interest payable on Long term loan is included in the current portion of Long term loan.

12.00 Short Term Borrowings : Tk. 24,270,331

This is made up as follows:

Particulars

Islami Bank Ltd.		
Bai-Salam	4,315,500	4,898,000
Bai-Muajjal	-	7,711,375
MTR	19,954,831	10,568,086
FBP	-	5,137,855
Total:	<u>24,270,331</u>	<u>28,315,316</u>

Interest payable on Short term loan is included in the Short term borrowings.

13.00 Trade and Other Payables: Tk 100,033,458

This is made up as follows:

Particulars

Trade Payable and Creditors	13.01	73,291,591	106,743,047
Liabilities for Expenses	13.02	26,741,867	31,914,208
Total:		<u>100,033,458</u>	<u>138,657,255</u>

13.01 Trade Payable and Creditors: Tk. 73,291,591

This is made up as follows:

Particulars

Accepted L/C Liability		72,907,818	106,293,470
Creditors	13.01(a)	383,773	449,577
		<u>73,291,591</u>	<u>106,743,047</u>

13.01(a) Creditors: Tk. 383,773

This is made up as follows:

Particulars

M/J Carton & Packaging		-	30,425
Bismillah Electronics		201,654	194,218
Poly Traders		24,690	10,254
Other Liabilities		157,429	214,680
		<u>383,773</u>	<u>449,577</u>

13.02 Liabilities for Expenses: Tk. 26,741,867

This is made up as follows:

Particulars

Utilities Bills		1,076,199	1,058,426
Salary & Wages		8,716,358	8,654,114
Income Tax Payable	13.02(a)	16,845,810	22,086,668
Audit Fees		103,500	115,000
		<u>26,741,867</u>	<u>31,914,208</u>

13.02(a) Income Tax Payable : Tk. 16,845,810

This is made up as follows:

Particulars

Opening		22,086,668	11,457,052
Add: Charge for the year		11,773,474	10,629,616
		<u>33,860,142</u>	<u>22,086,668</u>
Less: Payment/Adjustment During the year		17,014,331	-
Total:		<u>16,845,810</u>	<u>22,086,668</u>

Assessment up to accounting year 31.05.2014 has been completed and assessment of accounting year 31.05.2015 is under process.

14.00 Turnover : Tk. 738,615,248

	Amount in Taka	
	01 June 2015 to 29 Feb 2016	01 June 2014 to 28 Feb 2015
This is made up as follows:		
Sales/ Export	738,615,248	697,101,536
Total:	<u>738,615,248</u>	<u>697,101,536</u>

This is made up as follows:

Particulars	Quantity (Pair of Shoes)	Amount in Tk	Amount in Tk
Kids Shoes	780,926	321,634,017	273,325,332
Men Shoes	211,475	127,246,829	132,794,427
Women Shoes	496,286	261,634,174	273,144,325
Others (Common for all)	50,095	28,100,228	17,837,452
Total	1,538,782	738,615,248	697,101,536

15.00 Cost of Goods Sold : Tk. 608,554,442

This is made up as follows:

Particulars

Raw materials consumed	15.01	510,622,665	487,928,765
Manufacturing Overhead	15.02	125,400,540	112,949,493
Cost of Manufacturing		<u>636,023,205</u>	<u>600,878,258</u>
Add: Work in process- Opening		46,431,664	43,375,219
Less: Work in process- Closing		(58,812,649)	(53,518,123)
Cost of Goods Manufactured		<u>623,642,220</u>	<u>590,735,354</u>
Finished goods - Opening		14,628,320	9,219,327
Sample Expenses		(1,481,263)	(1,601,630)
Finished goods - Closing		(28,234,835)	(24,525,322)
Total:		<u>608,554,442</u>	<u>573,827,729</u>

15.01 Raw Materials : Tk. 117,467,544

This is made up as follows:

Particulars

Opening		107,458,673	63,208,712
Add: Purchase during the year		520,631,536	514,542,958
Raw materials available for Production		<u>628,090,209</u>	<u>577,751,670</u>
Less: Consumption during the year		510,622,665	487,928,765
Closing balance		<u>117,467,544</u>	<u>89,822,905</u>

15.02 Manufacturing overhead : Tk. 125,400,540

This is made up as follows:

Particulars

Wages, Salaries and allowances		56,728,629	50,961,521
Carrying Charge		4,471,380	4,329,574
Power & Fuel		509,261	495,238
Utilities Bills		8,946,257	8,591,347
Freight & Forwarding		6,732,652	6,594,088
Medical Expenses		74,650	77,654
Fooding		340,625	292,586
Labor Charge		1,243,629	1,200,476
Production Incentives		1,156,204	1,168,074
Telephone and Mobile Bill		41,629	42,646
Printing & Stationery Expenses		51,068	41,075
Store Items	15.02(a)	8,311,838	8,680,111
Conveyance		24,160	43,500
Insurance premium		502,417	436,553
Postage & Stamp		92,165	115,918
Miscellaneous Expenses		15,540	12,250
Repairs & Maintenance and Service Charges		174,263	184,376
Depreciation		35,984,173	29,682,507
Total:		<u>125,400,540</u>	<u>112,949,493</u>

		Amount in Taka	
		01 June 2015 to 29 Feb 2016	01 June 2014 to 28 Feb 2015
15.02(a)	Store Items : Tk. 3,776,354		
	This is made up as follows:		
	Particulars		
	Opening	4,235,571	1,587,325
	Add: Purchase during the year	7,852,621	10,462,064
		<u>12,088,192</u>	<u>12,049,389</u>
	Less: Consumption during the year	8,311,838	8,680,111
	Closing balance	<u>3,776,354</u>	<u>3,369,278</u>
16.00	Administrative and selling Expenses : Tk. 31,110,848		
	This is made up as follows:		
	Particulars		
	Salaries and allowances	23,614,200	23,488,537
	MD's Remuneration	180,000	180,000
	Director's Remuneration	270,000	270,000
	Conveyance, Tours and Travels Expenses	270,346	296,710
	Sample Expenses	1,481,263	1,601,630
	Delivery Expenses	1,454,500	1,677,686
	Phone, Fax and Mobile Bill	223,472	210,661
	Postage & Stamps	35,213	48,770
	Printing & Stationary	481,267	575,234
	Registration, Renewal & Legal Expenses	341,030	368,500
	Office Rent	-	196,200
	Entertainment	105,238	126,530
	Utilities Bills	45,286	42,138
	Audit fees	103,500	86,250
	Miscellaneous Expenses	40,326	57,962
	Vehicles Fuel and Oil Expenses	168,345	147,606
	Depreciation	2,296,862	1,828,338
	Total:	<u>31,110,848</u>	<u>31,202,752</u>
17.00	Financial Expenses : Tk. 5,570,060		
	This is made up as follows:		
	Particulars		
	Interest on Loan	5,547,711	5,600,136
	Bank Charge	22,349	21,590
	Total:	<u>5,570,060</u>	<u>5,621,726</u>
17.01	Interest on Loan : Tk. 5,547,711		
	This is made up as follows:		
	Particulars		
	Interest on Short Term Loan	2,894,753	2,234,681
	Interest on Long Term Loan	2,652,958	3,365,455
	Total:	<u>5,547,711</u>	<u>5,600,136</u>
18.00	Current Tax Expense : Tk. 11,773,474		
	This is made up as follows:		
	Particulars		
	Income Tax Expense	11,773,474	7,875,783
	Total:	<u>11,773,474</u>	<u>7,875,783</u>

19.00 Deferred Tax Expense : Tk. 4,562,394

This is made up as follows:

Particulars

Carrying amount of PPE (Accounting Base)	620,472,553	632,628,767
Carrying amount of PPE (Tax Base)	407,537,050	456,681,401
Taxable Temporary Difference	212,935,503	175,947,367
Tax Rate	17.50%	17.50%
Opening Deferred Tax Liability	32,701,319	25,218,740
Adjustment for changes in Tax Rate	-	(1,681,249)
Adjusted Opening Balance	32,701,319	23,537,491
Closing Deferred Tax Liability	37,263,713	30,790,789
Deferred Tax Expense/ (Income)	4,562,394	7,253,298

20.00 Earnings per Share: Tk. 1.03

Total Comprehensive Income for the Year	77,011,947	71,322,814
Weighted Average Number of Ordinary Shares	75,000,000	9,615,000
Earnings per Share (Basic)	1.03	7.42
Total Comprehensive Income for the Year	77,011,947	71,322,814
Weighted Average No. of Shares	75,000,000	75,000,000
Earnings per Share (Adjusted *)	1.03	0.95
Weighted Average Number of Shares		
9,615,000 Shares for 274 days (9 months)	9,615,000	9,615,000
65,385,000 Shares for 274** days (9 months)	65,385,000	-
	75,000,000	9,615,000

*Previous Year's Earnings Per Share has been adjusted as per the requirement of BAS-33 "Earnings Per Share".

**65,385,000 shares are issued from Share Money Deposit which was existed from beginning of the year.

29-Feb-2016

31-May-2015

21.00 Net Asset Value Per Share

Net Asset Value	1,030,990,701	305,801,428
Number of Shares	75,000,000	9,615,000
	13.75	31.80

22.00 New shares issued during the year were converted from share money deposit. As there is no cash transaction for issuance of new shares held, there is no effect on issuance of shares in the Statement of Cash Flows.

23.00 Production Capacity

The production capacity and utilization of its are as follows:

Particulars	Quantity in Pair	
	29.02.2016	28.02.2015
Installed Capacity (Annually)	2,920,000	2,555,000
Actual Production (9 months)	1,568,645	1,403,874
Capacity Utilization (%) (9 months)	53.72%	53.09%

24.00 No. of Employees

Total number of employees are as follows:

Particulars	No. of Employees	
	29.02.2016	28.02.2015
Salary within Tk. 3,000 per month	-	-
Salary range above Tk. 3,000 per month	1,520	1,506
Total	1,520	1,506

25.00 Quantity wise schedule of sales as required under Para 3, Schedule XI, Part II of the Companies Act 1994

Quantity wise schedule of sales, raw material consumed and opening and closing stock of finished goods relating to the financial statements for the year ended 29 Feb 2016 as required under Para 3, Schedule XI, Part II of the companies Act 1994 are given below:

(a) Sales

Particulars	29.02.2016		28.02.2015	
	Quantity in Pair	Amount in Taka	Quantity in Pair	Amount in Tk.
Domestic Sales	-	-	-	-
Export Sales	1,538,782	738,615,248	1,366,782	697,101,536
Total	1,538,782	738,615,248	1,366,782	697,101,536

(b) Raw Materials Consumed in Quantities (Pcs, Yrds, Kg, Sqft,Set)

	29.02.2016	28.02.2015
Opening Stock	23,996,947	14,114,628
Add: Purchase	121,642,882	120,234,276
Raw Material available for consumption	145,639,829	134,348,904
Less: Closing Stock	20,899,315	15,964,237
Raw Material Consumed	124,740,514	118,384,667

(C) Particulars in respect of opening stock, sales and closing of finished goods:

Particulars	29.02.2016		28.02.2015	
	Qty in pair	Amount in Tk.	Qty in pair	Amount in Tk.
Opening Stock	34,896	14,628,320	20,886	9,219,327
Closing Stock	64,759	28,234,835	57,978	24,525,322
Sales	1,538,782	738,615,248	1,366,782	697,101,536

(d) Particulars in respect of Opening Stock and Closing Stock of Inventories

Particulars	29.02.2016		31.05.2015	
	Qty in pair/yds/kg	Amount in Tk.	Qty in pair/yds/kg	Amount in Tk.
Raw Materials	20,899,315	117,467,544	23,996,947	107,458,673
Work in Process	13,705,944	58,812,649	10,820,628	46,431,664
Finished goods	64,759	28,234,835	34,896	14,628,320

26.00 Information as per requirement of Para 8, Schedule XI, Part II of the Companies Act 1994:

Disclosure under Para 8, Schedule XI, Part II of the companies Act 1994 are as under:

Particulars	29.02.2016		28.02.2015	
	US Dollar	Amount in Tk.	US Dollar	Amount in Tk.
Import (CIF Basis)	5,805,368	455,465,117	6,518,383	514,542,958
Export (FOB Basis)	9,390,536	738,615,248	8,873,264	697,101,536

FORTUNE SHOES LTD.
Schedule of Property, Plant and Equipment
As at February 29, 2016

Annexure 1

Amount in Taka

Particulars	Cost			Rate of Dep. (%)	Depreciation			Written Down Value as at 29.02.2016	Written Down Value as at 31-05-2015
	Balance as on 01 June 2015	Addition during the Year	Balance as on 29 Feb 2016		Balance as on 01 June 2015	Charge during the year	Balance as on 29 Feb 2016		
Land	681,818	-	681,818	-	-	-	-	681,818	681,818
Land Development	36,524,059	-	36,524,059	2%	2,774,946	506,237	3,281,183	33,242,876	36,524,059
Factory Buildings	183,756,896	14,834,265	198,591,161	2.50%	13,502,950	3,439,499	16,942,449	181,648,712	170,253,946
Office Building	27,501,150	-	27,501,150	10%	1,145,881	1,976,645	3,122,526	24,378,624	26,355,269
Plant & Machinery	372,256,043	24,922,607	397,178,650	10%	72,466,806	24,145,700	96,612,506	300,566,144	299,789,237
Substation, Electrical Installation & Equipment	58,904,201	1,526,746	60,430,947	10%	12,630,182	3,483,274	16,113,456	44,317,491	46,274,019
Generator	9,920,000	-	9,920,000	10%	2,178,650	580,601	2,759,251	7,160,749	7,741,350
Vehicles	8,600,000	-	8,600,000	20%	3,200,800	809,880	4,010,680	4,589,320	5,399,200
Furniture and Fixture	8,719,106	425,319	9,144,425	10%	1,697,271	530,182	2,227,453	6,916,972	7,021,835
Office Equipment	8,505,738	246,758	8,752,496	20%	2,938,050	843,378	3,781,429	4,971,067	5,567,688
Fire Equipment	2,030,215	-	2,030,215	10%	309,880	129,025	438,905	1,591,310	1,720,335
Air Conditions and Air Cooler	14,733,431	-	14,733,431	20%	2,489,348	1,836,612	4,325,960	10,407,471	12,244,083
Total	732,132,657	41,955,695	774,088,352		115,334,764	38,281,035	153,615,799	620,472,553	619,572,839

Previous year accumulated depreciation for Land Development has been recognized in Schedule of Property, Plant and Equipment.

Allocation of depreciation

Manufacturing Expenses	94%	35,984,173
Administrative Expenses	6%	2,296,862
	<u>100%</u>	<u>38,281,035</u>

Fortune Shoes Ltd.
Details of Plant and Machinery in Capital Work in Progress
For the period ended 29, Feb 2016

Annexure -2

L/C NO and Date	Name of Company	Name of machinery	Qty.	Cost per unit(\$)	total unit cost(\$)	Sub. Total	Total Invoice Value	Other cost	Total	Remarks
						BDT				
91015010113 Date: 13.12.2015	Sung Machinery Co., Korea	Toe lasting machine	1	28,000.00	28,000.00	2,236,467.24	31,861,977	1,255,678	33,117,655	Machine installation complete and production running
		heel lasting machine	3	17,000.00	51,000.00	4,073,565.33				
		marking machine	4	1,150.35	4,601.40	367,531.44				
		high post sewing machine	120	580.96	69,715.20	5,568,420.03				
		cooling Power	2	20,000.00	40,000.00	3,194,953.20				
		Busbar Trunking	4	10,000.00	40,000.00	3,194,953.20				
		air compressor---big 10 kg	2	10,000.00	20,000.00	1,597,476.60				
		air compressor Head	5	608.59	3,042.95	243,052.07				
		Iron Table	6	320.00	1,920.00	153,357.75				
		Iron Rack	6	320.00	1,920.00	153,357.75				
		H Jmit Vamy	3	6,900.00	20,700.00	1,653,388.28				
		Wrinkal Remover Machine	2	16,000.00	32,000.00	2,555,962.56				
		Upper Hitting Machine	2	21,000.54	42,001.08	3,354,787.12				
		Speed Polishing Machine	4	1,000.65	4,002.60	319,702.99				
Hank Revit Punching Machine	1	40,000.60	40,000.60	3,195,001.12						
Total Invoice Value									33,117,655	
Installation Cost (Electrical cable, Switch Box, Control Board etc. Supplier Saima Electronic, Azad Electronic, Alam Brothers									1,170,197	
Total									34,287,852	

Annexure 3

Fortune Shoes Ltd.
Details of Inventories
For the year ended 29 Feb 2016

A. Raw Materials

SL	Name of Raw Materials	Unit	Opening		Purchases		Consumption		Closing Balance	
			Quantity	Taka	Quantity	Taka	Quantity	Taka	Quantity	Taka
1	Outer sole and heels of rubber	Pair	84,616	11,248,892	428,928	51,771,657	439,851	52,342,274	73,694	9,270,663
2	Uppers and parts thereof	Pair	42,030	13,804,366	213,055	62,638,081	218,480	58,727,459	36,605	9,224,376
3	Shoe lace	Pair	68,950	485,270	349,514	2,453,589	358,415	2,516,070	60,050	416,144
4	Inner box	Pair	51,807	1,620,530	262,616	7,353,244	269,303	7,540,494	45,120	1,389,687
5	Silver pen	Pair	431,705	67,519	2,188,357	341,384	2,244,084	350,077	375,979	57,901
6	Nylon string	Pair	64,756	5,064	328,254	25,604	336,613	26,256	56,397	4,343
7	Eva 4mm	Pair	32,378	1,772,367	164,127	8,042,213	168,306	8,247,008	28,198	1,381,723
8	Pvc scrn	Pcs	21,585	1,265,967	109,417	5,744,394	112,203	5,890,675	18,799	986,937
9	T/T paper	Pcs	2,553,221	1,996,619	12,942,526	9,059,768	13,272,107	9,290,475	2,223,640	1,556,548
10	Swing machine needle	Pcs	16,405	38,485	83,156	174,628	85,274	199,541	14,287	30,003
11	Lavel	Pcs	16,351,547	1,278,691	82,887,600	5,802,132	85,485,427	6,667,863	13,753,720	962,760
12	Eyelet	Pcs	2,590,233	2,025,562	13,130,143	9,453,703	13,464,502	10,502,312	2,255,874	1,579,112
13	Last	Pcs	5,699	2,005,630	28,891	9,100,660	29,627	9,332,408	4,964	1,563,573
14	Micro pac	Pcs	431,705	3,713,530	2,188,357	16,850,351	2,244,084	19,254,238	375,979	2,895,038
15	Adesive tape	Pcs	51,807	2,228,228	262,616	10,110,710	269,303	11,553,113	45,120	1,737,109
16	Zipper	KG	9,219	252,334	46,734	1,144,979	47,924	1,308,323	8,029	196,717
17	Stitching glue	KG	15,542	3,281,572	78,785	14,890,318	80,791	13,088,142	13,536	2,558,287
18	Pu print	KG	778	730,139	3,944	3,313,046	4,045	3,397,412	678	569,210
19	Polyether polioli glue	KG	7,771	1,762,326	39,392	7,996,652	40,396	9,137,462	6,768	1,373,895
20	Lamination glue	KG	12,968	2,347,690	65,735	10,123,196	67,409	10,380,983	11,294	1,739,254
21	Solvent diffityps	KG	15,542	3,281,572	78,785	11,699,536	80,791	14,615,092	13,536	2,192,818
22	Upper primer	KG	10,361	2,349,768	52,523	7,615,859	53,861	10,933,716	9,024	1,831,860
23	Tpr primer	KG	15,030	3,290,936	76,188	14,932,805	78,128	15,313,069	13,090	2,565,587
24	Latex	KG	9,531	1,267,057	48,314	6,242,143	49,544	6,569,549	8,301	987,787
25	Toulien	KG	9,531	1,203,771	48,314	5,072,949	49,544	5,796,660	8,301	871,577

26	Pu upper	Yards	4,766	1,676,987	24,157	7,935,541	24,772	8,694,991	4,150	1,307,366
27	Pu collar tow tone	Yards	9,531	2,235,983	48,314	8,986,366	49,544	10,404,262	8,301	1,743,154
28	Lining Mesh	Yards	2,383	139,749	12,078	706,589	12,386	728,725	2,075	108,947
29	Mesh syntitic	Yards	2,383	465,830	12,078	2,113,729	12,386	2,415,275	2,075	363,157
30	Luny suede diff.	Yards	8,559	2,007,882	43,385	7,809,322	44,490	9,342,884	7,454	1,118,092
31	Two tone pu	Yards	9,155	3,579,753	46,410	16,243,331	47,591	15,943,097	7,974	1,993,391
32	Canvas	Yards	5,207	1,018,026	26,396	4,817,324	27,068	5,278,353	4,535	793,645
33	Embossing mould	Yards	778	920,454	3,944	4,141,307	4,045	4,732,110	678	711,513
34	Non woven	Yards	43,171	1,384,134	218,836	6,226,752	224,408	7,176,580	37,598	1,079,060
35	Magic tape	Yards	21,585	1,181,578	109,418	5,361,475	112,204	6,126,348	18,799	921,149
36	1.4 mm eva	Yards	43,171	3,018,484	218,836	8,665,895	224,408	9,425,151	37,598	1,579,112
37	Pu tone	Yards	1,048	409,930	5,315	1,860,081	5,450	2,125,442	913	273,924
38	Binding materials diff typ	Yards	15,542	3,038,493	78,785	12,605,560	80,791	14,138,426	13,536	1,928,867
39	Fu long	Yards	49,862	1,208,756	252,756	5,484,796	259,192	6,267,262	43,426	807,717
40	Shank metal	Yards	116,975	1,297,253	592,958	4,210,000	608,057	4,742,848	101,875	713,128
41	Thermo plastic	Yards	15,542	2,582,828	78,785	9,343,084	80,791	11,367,294	13,536	1,822,881
42	Webbing	Yards	341,059	1,066,832	1,078,999	3,280,156	1,123,024	3,503,835	297,033	736,643
43	Elastic gore	Yards	178,440	977,882	904,530	4,875,415	927,563	5,064,496	155,406	740,835
44	Force tape	Yards	38,903	4,913,498	197,205	14,790,383	202,227	20,308,427	33,882	2,541,118
45	Tricot	Yards	64,756	1,569,810	328,254	7,937,172	336,613	7,252,317	56,397	1,223,812
46	Leather	sft	2,937	345,066	664,749	65,118,397	178,031	19,441,011	489,655	41,131,020
47	Newtex	Sheet	58,713	5,050,467	297,620	16,369,126	305,199	25,514,667	51,134	3,206,090
48	Red sheet	Sheet	25,385	2,779,138	128,679	14,051,694	131,955	11,084,246	22,108	1,733,275
49	Thread	Cone	32,378	1,265,976	164,127	5,744,438	168,306	6,563,945	28,198	946,740
Total			23,996,947	107,458,673	121,642,882	520,631,536	124,740,514	510,622,665	20,899,315	117,467,544

Fortune Shoes Ltd.
Details of Inventories
As at 29 Feb 2016

B. Work-In-Progress

SL	Name of Raw Materials	Unit	Closing Balance	
			Quantity	Taka
1	Outer sole and heels of rubber	Pair	42,000	3,570,000
2	Uppers and parts thereof	Pair	42,000	8,820,000
3	Shoe lace	Pair	42,000	189,000
4	Inner box	Pair	42,000	840,000
5	Silver pen	Pair	1,176,000	117,600
6	Nylon string	Pair	1,197,000	59,850
7	Eva 4mm	Pair	42,000	1,470,000
8	Pvc scrn	Pcs	12,328	462,315
9	T/T paper	Pcs	252,000	126,000
10	Swing machine needle	Pcs	9,370	14,054
11	Lavel	Pcs	672,000	33,600
12	Eyelet	Pcs	7,754,090	3,877,045
13	Last	Pcs	42,000	3,780,000
14	Micro pac	Pcs	42,000	231,000
15	Adesive tape	Pcs	21,000	577,500
16	Zipper	KG	5,266	92,149
17	Stitching glue	KG	8,877	1,198,390
18	Pu print	KG	444	266,638
19	Polyether polioli glue	KG	4,438	643,580
20	Lamination glue	KG	7,407	814,727
21	Solvent difftyps	KG	8,877	1,198,390
22	Upper primer	KG	5,918	858,106
23	Tpr primer	KG	8,584	1,201,809
24	Latex	KG	5,444	462,714
25	Toulien	KG	5,444	408,277
26	Pu upper	Yards	2,722	612,415
27	Pu collar tow tone	Yards	5,444	816,554
28	Lining Mesh	Yards	1,361	51,035
29	Mesh syntitic	Yards	1,361	170,115
30	Luny suede diff.	Yards	4,888	733,254
31	Two tone pu	Yards	5,229	784,369
32	Canvas	Yards	2,974	223,062
33	Embossing mould	Yards	3,444	1,549,978
34	Non woven	Yards	24,657	303,281
35	Magic tape	Yards	12,329	258,899
36	1.4 mm eva	Yards	24,657	443,826
37	Pu tone	Yards	5,599	839,821
38	Binding materials difftyp	Yards	8,877	665,772
39	Fu long	Yards	28,479	264,854
40	Shank metal	Yards	266,551	799,652
41	Thermo plastic	Yards	8,877	535,281
42	Webbing	Yards	994,797	1,989,594
43	Elastic gore	Yards	361,917	1,267,810
44	Force tape	Yards	50,400	3,024,000
45	Tricot	Yards	225,587	3,496,605
46	Leather	sft	7,308	511,560
47	Newtex	Sheet	42,000	2,310,000
48	Red sheet	Sheet	42,000	2,696,074
49	Thread	Cone	126,000	3,152,093
Total			13,705,944	58,812,649

Fortune Shoes Ltd.
Details of Inventories
As at 29 Feb 2016

C. Finished goods

Particulars	Quantity (Pair of Shoes)	Amount in Tk
Kids Shoes	33,173	12,579,820
Men Shoes	8,895	4,638,180
Women Shoes	17,824	8,650,776
Others (Common for all)	4,867	2,366,059
Total	64,759	28,234,835

Fortune Shoes Ltd.
Details of Inventories
As at 29 Feb 2016

D. Store Items

Opening Balance	Purchases	Consumption	Closing Balance
Taka	Taka	Taka	Taka
4,235,571	7,852,621	8,311,838	3,776,354

Annexure 4

Fortune Shoes Ltd.
Details of Shareholding Position As on 29 February 2016

Sl.	Name of Shareholder	Position	No. of Shares	(%)
1	Md. Mizanur Rahman	Chairman	21,750,000	29.00%
2	Mrs. Rokshana Rahman	Managing Director	2,750,000	3.67%
3	Md. Amanur Rahman	Director	2,750,000	3.67%
4	Md. Robiul Islam	Director	2,750,000	3.67%
5	Md. Khosrul Islam	Sponsor & Shareholder	5,000	0.01%
6	S.M Safiullah	Shareholder	130,000	0.17%
7	Md. Muslim Mizi	Shareholder	2,000,000	2.67%
8	Md. Samsul Haque	Shareholder	2,000,000	2.67%
9	Monir Hossain	Shareholder	1,500,000	2.00%
10	Md. Khalilur Rahman	Shareholder	1,500,000	2.00%
11	Md. Afzal Hossain Chowdhury	Shareholder	1,500,000	2.00%
12	Md. Rafiqul Islam	Shareholder	1,500,000	2.00%
13	Mohammed. Morshed Alam	Shareholder	1,500,000	2.00%
14	Md. Jahangir Alam	Shareholder	1,000,000	1.33%
15	Md. Delower Hossain	Shareholder	1,000,000	1.33%
16	Md. Shahfiqul Islam	Shareholder	1,000,000	1.33%
17	Al-Haj Md. Ramzan Hossain	Shareholder	100,000	0.13%
18	Md. Ashfaqul Alam	Shareholder	100,000	0.13%
19	Md. Abbas Ali Khan	Shareholder	100,000	0.13%
20	Global Shoes Ltd	Shareholder	3,645,000	4.86%
21	Bangladesh Shoes Industries Ltd	Shareholder	150,000	0.20%
22	Shammi Akter (Shibli)	Shareholder	1,000,000	1.33%
23	Md. Matiur Rahman	Shareholder	500,000	0.67%
24	Farzana Rahman	Shareholder	1,650,000	2.20%
25	Ahmed Tawfiqur Rahman Arnab	Shareholder	900,000	1.20%
26	Mollika Mitra	Shareholder	300,000	0.40%
27	Zakera Parveen	Shareholder	200,000	0.27%
28	Roksana Akter	Shareholder	50,000	0.07%
29	Anwar Ispat Limited	Shareholder	2,000,000	2.67%
30	Bangladesh Finance and Investment Company Ltd.	Shareholder	500,000	0.67%
31	BD Finance Securities Limited	Shareholder	500,000	0.67%
32	BD Finance Capital Holdings Ltd	Shareholder	500,000	0.67%
33	S.M. Rezaul Hoque	Shareholder	750,000	1.00%
34	Afsar uz Zaman	Shareholder	1,200,000	1.60%
35	Runa Kashem	Shareholder	1,000,000	1.33%
36	Mohammad Moniruzzaman	Shareholder	1,000,000	1.33%
37	Mohammad Khairul Anam Chowdhury	Shareholder	1,000,000	1.33%
38	Md. Tazul Islam	Shareholder	1,000,000	1.33%
39	Md. Kabiruddin Ahmed	Shareholder	800,000	1.07%
40	Md. Hamid Ullah Khan	-Shareholder	200,000	0.27%
41	Asif Iqbal Chowdhury	Shareholder	700,000	0.93%
42	Shanzida Akther Khanam	Shareholder	200,000	0.27%
43	Tasren Mujib	Shareholder	300,000	0.40%
44	Md. Saroar Hossain	Shareholder	400,000	0.53%
45	Homayra Binte Wali	Shareholder	300,000	0.40%
46	Touhida Shirin	Shareholder	300,000	0.40%
47	Md. Ahsanul Hoque	Shareholder	100,000	0.13%
48	Md. Tarequl Islam	Shareholder	100,000	0.13%
49	Md. Azizul Islam	Shareholder	100,000	0.13%

50	Md. Faisal Rahmatullah Ferdous	Shareholder	100,000	0.13%
51	Md. Shamsul Alam	Shareholder	1,000,000	1.33%
52	Shamima Akter	Shareholder	250,000	0.33%
53	Abdur Razzak	Shareholder	205,000	0.27%
54	Zannatul Ferdouse	Shareholder	150,000	0.20%
55	Md. Mokhlesur Rahman	Shareholder	100,000	0.13%
56	Mrs. Rebeka Sultana	Shareholder	100,000	0.13%
57	Md. Motier Rahman	Shareholder	25,000	0.03%
58	Sk. Sajib Ahmed	Shareholder	25,000	0.03%
59	Chowdhury Khaled Masood	Shareholder	100,000	0.13%
60	Asad Chowdhury	Shareholder	50,000	0.07%
61	Tapan Kumar Roy	Shareholder	5,000	0.01%
62	Syed Iqbal Hossain	Shareholder	50,000	0.07%
63	Serajul Mostofa Al-Faruquie	Shareholder	50,000	0.07%
64	Md. Nurul Haque Talukder	Shareholder	50,000	0.07%
65	Md. Shahabuddin	Shareholder	100,000	0.13%
66	Mohammad Faisal	Shareholder	50,000	0.07%
67	Md. Nurul Huda	Shareholder	300,000	0.40%
68	Md. Nazmul Hasan	Shareholder	100,000	0.13%
69	A.K.M. Zakir Hossain	Shareholder	250,000	0.33%
70	Mohammad Jainal Abedin	Shareholder	50,000	0.07%
71	Rifat Tanjir Rimi	Shareholder	200,000	0.27%
72	Md. Mamun Ahmmed	Shareholder	100,000	0.13%
73	Md. Ashiqur Rahman	Shareholder	100,000	0.13%
74	Md. Moallem Hossain	Shareholder	10,000	0.01%
75	Md. Tofazzal Hossain Forhad	Shareholder	10,000	0.01%
76	Razia Sultana	Shareholder	250,000	0.33%
77	Hazara Khatun	Shareholder	500,000	0.67%
78	Salena Akter (Poly)	Shareholder	300,000	0.40%
79	Ziaul Ahsan	Shareholder	500,000	0.67%
80	Md. Nesar Uddin	Shareholder	200,000	0.27%
81	Md. Rasiduzzaman	Shareholder	10,000	0.01%
82	Mazedha Bugum	Shareholder	20,000	0.03%
83	Md. Zafran Tareque Chowdhury	Shareholder	10,000	0.01%
84	Mohammad Musa	Shareholder	1,000,000	1.33%
85	Feroza Begum	Shareholder	50,000	0.07%
86	Md. Nasir Uddin	Shareholder	50,000	0.07%
87	Rafeza Akhter	Shareholder	50,000	0.07%
88	SK. Md. Fanafillah	Shareholder	50,000	0.07%
89	A.T.M Fazlul Gani Siddiquee	Shareholder	50,000	0.07%
90	Mir Md. Jainul Abedin Shebly	Shareholder	50,000	0.07%
91	Jannatun Nessa	Shareholder	50,000	0.07%
92	Md. Abul Hossain	Shareholder	50,000	0.07%
93	Kazi Abu Taher	Shareholder	50,000	0.07%
94	Md. Ghulam Hossain	Shareholder	100,000	0.13%
95	Md. Safiul Azam	Shareholder	300,000	0.40%
96	Mrs. Reshma Akter	Shareholder	300,000	0.40%
97	Md. Ferdous Jaman	Shareholder	300,000	0.40%
98	Nazia Akter	Shareholder	200,000	0.27%
99	Samaresh Banik	Shareholder	250,000	0.33%
100	Md.Shamsul Haque	Shareholder	500,000	0.67%
		Total	75,000,000	100.00%

Fortune Shoes Ltd.
Details of Related Party Disclosure

Particulars	Nature of Transaction	29.02.2016		28.02.2015	
		Transaction during the year	Balance at Year End	Transaction during the year	Balance at Year End
Managing Director	Remuneration and Board Fees	185,000	-	185,000	-
Director	Remuneration and Board Fees	285,000	-	285,000	-
Bangladesh Shoes Industries Ltd.	Advance against Investment of Share	-	-	20,000,000	20,000,000
Bangladesh Shoes Industries Ltd.	Return of Advance against Investment of Share	20,000,000	-	-	-
Bangladesh Shoes Industries Ltd.	Share Allotment	-	1,500,000	1,500,000	1,500,000
Global Shoes Ltd.	Share Allotment	34,950,000	36,450,000	1,500,000	1,500,000

(b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;
Not applicable for Fortune Shoes Limited as it is not a holding Company.

(c) Selected ratios as specified in Annexure-D;

Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that Fortune Shoes Limited has maintained the following ratios as computed on the basis of the audited financial statements for the period from June 1, 2015 to February 29, 2016 and for the year ended May 31, 2015, 2014, 2013, 2012 and 2011.

Particulars	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
	Ratio					

I. Liquidity Ratios:

(i) Current Ratio	4.38	3.09	2.99	3.74	4.73	-
(ii) Quick Ratio	2.67	1.88	1.78	2.21	2.56	-
(iii) Times Interest Earned Ratio	17.76	15.39	12.51	20.31	1,194.51	-
(iv) Debt to Equity Ratio	0.05	0.19	0.40	0.47	-	-

II. Operating Ratios:

(i) Accounts Receivable Turnover Ratio	2.29	3.66	4.22	4.93	4.23	-
(ii) Inventory Turnover Ratio	3.19	5.19	5.48	5.95	4.23	-
(iii) Asset Turnover Ratio	0.61	0.91	0.99	1.00	0.79	-

III. Profitability Ratios:

(i) Gross Margin Ratio	17.61%	17.68%	17.54%	17.36%	16.89%	-
(ii) Operating Income Ratio	13.40%	13.21%	12.95%	13.01%	14.17%	-
(iii) Net Income Ratio	10.43%	10.19%	10.93%	11.74%	13.70%	-
(iv) Return on Assets Ratio	6.40%	9.24%	10.76%	11.69%	10.87%	-
(v) Return on Equity Ratio	11.52%	39.44%	64.36%	108.53%	192.30%	-
(vi) Basic Earnings Per Share (EPS)	1.03	9.70	148.18	1208.34	499.22	-
(vii) EBITDA Margin	18.58%	17.97%	17.43%	17.69%	20.51%	-
(viii) Adjusted EPS	1.03	1.24	1.09	0.81	0.33	-

IV. Coverage Ratios:

(i) Debt to Total Assets Ratio	0.04	0.05	0.08	0.06	-	-
(ii) Debt Service Coverage Ratio	9.91	15.32	14.28	52.52	-	-

V. Cash Flow:

(iii) Net Operating Cash Flow per Share	0.39	3.48	176.14	(1,603.99)	(507.33)	(26.76)
(iv) Net Operating Cash Flow per Share/EPS	0.38	0.36	1.19	(1.33)	(1.02)	-

Place: Dhaka
Date: June 09, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

Ratio Calculation													
Particulars	Formula	29-02-2016		31-05-2015		31-05-2014		31-05-2013		31-05-2012		31-05-2011	
		Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio	Calculation	Ratio
I. Liquidity Ratios:													
(i) Current Ratio	Current Assets/Current Liabilities	561,209,373	4.38	531,244,496	3.09	326,995,807	2.99	281,898,921	3.74	81,117,497	4.73	1,041,779	-
		128,046,741		171,888,148		109,511,383		75,386,222		17,154,430		-	
(ii) Quick Ratio	(Current Assets-Inventories-Advance, Deposit & Prepayments)/Current Liabilities	341,686,098	2.67	322,617,479	1.88	194,942,954	1.78	166,825,441	2.21	43,840,260	2.56	1,041,779	-
		128,046,741		171,888,148		109,511,383		75,386,222		17,154,430		-	
(iii) Times Interest Earned Ratio	EBIT/Financial Expenses	98,949,958	17.76	120,962,970	15.39	96,602,326	12.51	66,960,392	20.31	25,813,260	1.194.51	-	-
		5,570,060		7,857,570		7,723,955		3,296,398		21,610		-	-
(iv) Debt to Equity Ratio	Total Debt/Total Equity	47,681,906	0.05	59,061,472	0.19	66,890,188	0.40	40,068,382	0.47	-	-	-	-
		1,030,990,701		305,801,428		167,376,963		85,877,865		25,460,894		500,000	
II. Operating Ratios:													
(i) Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	738,615,248	2.29	915,488,698	3.66	745,868,440	4.22	514,622,695	4.93	182,158,276	4.23	-	-
		322,382,694		250,424,803		176,574,538		104,428,862		43,090,663		-	-
(ii) Inventory Turnover Ratio	Cost of Goods Sold /Average Inventory	608,554,442	3.19	753,608,282	5.19	615,079,861	5.48	425,266,701	5.95	151,392,028	4.23	-	-
		190,522,805		145,072,406		112,276,658		71,475,697		35,788,661		-	-
(iii) Asset Turnover Ratio	Net Sales/Average Total Assets	738,615,248	0.61	915,488,698	0.91	745,868,440	0.99	514,622,695	1.00	182,158,276	0.79	-	-
		1,203,020,626		1,009,885,406		757,188,428		516,733,421		229,734,662		110,680,000	
Profitability Ratios:													
(i) Gross Margin Ratio	Gross Profit/Net Sales	130,060,806	17.61%	161,880,416	17.68%	130,788,579	17.54%	89,355,994	17.36%	30,766,248	16.89%	-	-
		738,615,248		915,488,698		745,868,440		514,622,695		182,158,276		-	-
(ii) Operating Income Ratio	Operating Profit/Net Sales	98,949,958	13.40%	120,962,970	13.21%	96,602,326	12.95%	66,960,392	13.01%	25,813,260	14.17%	-	-
		738,615,248		915,488,698		745,868,440		514,622,695		182,158,276		-	-
(iii) Net Income Ratio	Net Profit after Tax/Net Sales	77,011,947	10.43%	93,311,956	10.19%	81,499,098	10.93%	60,416,971	11.74%	24,960,894	13.70%	-	-
		738,615,248		915,488,698		745,868,440		514,622,695		182,158,276		-	-
(iv) Return on Assets Ratio	Net Profit after Tax/Average Total Assets	77,011,947	6.40%	93,311,956	9.24%	81,499,098	10.76%	60,416,971	11.69%	24,960,894	10.87%	-	-
		1,203,020,626		1,009,885,406		757,188,428		516,733,421		229,734,662		110,680,000	
(v) Return on Equity Ratio	Net Profit after Tax/Average Total Shareholders Equity	77,011,947	11.52%	93,311,956	39.44%	81,499,098	64.36%	60,416,971	108.53%	24,960,894	192.30%	-	-
		668,396,065		236,589,196		126,627,414		55,669,380		12,980,447		500,000	
(vi) Basic Earnings Per Share (EPS)	Net Profit after Tax/Weighted Average Number of Ordinary Shares Outstanding	77,011,947	1.03	93,311,956	9.70	81,499,098	148.18	60,416,971	1,208.34	24,960,894	499.22	-	-
		75,000,000		9,615,000		550,000		50,000		50,000		50,000	
(vii) EBITDA Margin	EBITDA/Net Sales	137,198,910	18.58%	164,491,206	17.97%	130,032,348	17.43%	91,013,658	17.69%	37,361,555	20.51%	-	-
		738,615,248		915,488,698		745,868,440		514,622,695		182,158,276		-	-
(viii) Adjusted EPS	Net Profit after Tax/Latest Number of Ordinary Shares	77,011,947	1.03	93,311,956	1.24	81,499,098	1.09	60,416,971	0.81	24,960,894	0.33	-	-
		75,000,000		75,000,000		75,000,000		75,000,000		75,000,000		75,000,000	

IV. Coverage Ratios:												
(i) Debt to Total Assets Ratio	Total Debt/Total Assets	47,681,906	0.04	59,061,472	0.05	66,890,188	0.08	40,068,382	0.06	-	-	-
		1,215,969,778		1,190,071,474		829,699,337		684,677,518		348,789,324		110,680,000
(ii) Debt Service Coverage Ratio	Net Operating Profit / Total Debt Service	98,949,958	9.91	164,491,206	15.32	130,032,348	14.28	91,013,658	52.52	37,361,555	-	-
		9,987,539		10,739,543		9,104,036		1,732,911		-		-
V. Cash Flow:												
(iii) Net Operating Cash Flow per Share	Net Operating Cash Flow/ Number of Ordinary Shares Outstanding	29,607,388	0.39	33,484,385	3.48	96,879,707	176.14	(80,199,563)	(1,603.99)	(25,366,267)	(507.33)	(1,338,014)
		75,000,000		9,615,000		550,000		50,000		50,000		50,000
(iv) Net Operating Cash Flow per Share/EPS	Net Operating Cash Flow per Share/EPS	0.39	0.38	3.48	0.36	176.14	1.19	(1,603.99)	(1.33)	(507.33)	(1.02)	(26.76)
		1.03		9.70		148.18		1,208.34		499.22		-

Comparison with the industry average ratios of same periods:

FORTUNE SHOES LTD.		Industry Average ***	
Particulars	29/02/2016	30.09.2015	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	4.38	1.52	FSL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	2.67	0.37	FSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	17.76	680.41	FSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt to Equity Ratio	0.05	34.85	FSL's Ratio better than the industry average ratio as debt burden is lower than equity.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	2.29	8.58	FSL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	3.19	1.48	FSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.61	0.98	FSL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	17.61%	25.68%	FSL's Ratio is satisfactory with the average industry.
(ii) Operating Income Ratio	13.40%	53.65%	FSL's Ratio is satisfactory with the average industry.
(iii) Net Income Ratio	10.43%	3.71%	FSL's Ratio is better than the industry average ratio as higher net profit.
(iv) Return on Assets Ratio	6.40%	4.59%	FSL's Ratio is better than the industry average ratio as higher net profit.
(v) Return on Equity Ratio	11.52%	8.58%	FSL's Ratio is better than the industry average ratio as higher net profit.
(vi) Basic Earnings Per Share (EPS)	1.03	17.45	FSL's Ratio is satisfactory with the average industry.
(vii) EBITDA Margin	18.58%	53.65%	FSL's Ratio is satisfactory with the average industry.
(viii) Adjusted EPS	1.03	17.45	FSL's Ratio is satisfactory with the average industry.
IV. Coverage Ratios:			
(i) Debt to Total Assets Ratio	0.04	0.32	FSL's Ratio better than the industry average ratio as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	9.91	Not Available	FSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow:			
(iii) Net Operating Cash Flow per Share	0.39	57.54	FSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	0.38	28.79	FSL's Ratio is satisfactory as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Apex Footwear Limited and Bata Shoe Company (Bangladesh) Limited for the period September 30, 2015. (Source: 3rd Quarter Financial Statement)

FORTUNE SHOES LTD.		Industry Average ***	
Particulars	31/05/2015	31.12.2014	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	3.09	1.44	FSL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.88	0.26	FSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	15.39	108.10	FSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt to Equity Ratio	0.19	1.42	FSL's Ratio better than the industry average ratio as debt burden is lower than equity.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	3.66	14.14	FSL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	5.19	2.05	FSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.91	1.38	FSL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	17.68%	27.31%	FSL's Ratio is satisfactory with the average industry.
(ii) Operating Income Ratio	13.21%	10.33%	FSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	10.19%	5.22%	FSL's Ratio is better than the industry average ratio as higher net profit.
(iv) Return on Assets Ratio	9.24%	8.30%	FSL's Ratio is better than the industry average ratio as higher net profit.
(v) Return on Equity Ratio	39.44%	18.47%	FSL's Ratio is better than the industry average ratio as higher net profit.
(vi) Basic Earnings Per Share (EPS)	9.70	34.64	FSL's Ratio is satisfactory with the average industry.
(vii) EBITDA Margin	17.97%	11.59%	FSL's Ratio is better than the industry average ratio as higher net profit.
(viii) Adjusted EPS	1.24	34.64	FSL's Ratio is satisfactory.
IV. Coverage Ratios:			
(i) Debt to Total Assets Ratio	0.05	0.32	FSL's Ratio better than the industry average ratio as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	15.32	Not Available	FSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow:			
(iii) Net Operating Cash Flow per Share	3.48	28.09	FSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	0.36	0.72	FSL's Ratio is satisfactory as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Apex Footwear Limited and Bata Shoe Company (Bangladesh) Limited for the year ended December 31, 2014. (Source: Annual Report)

FORTUNE SHOES LTD.		Industry Average ***	
Particulars	31/05/2014	31.12.2013	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	2.99	1.40	FSL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	1.78	0.60	FSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	12.51	100.68	FSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt to Equity Ratio	0.40	0.98	FSL's Ratio better than the industry average ratio as debt burden is lower than equity.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	4.22	17.29	FSL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	5.48	2.38	FSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.99	1.53	FSL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	17.54%	27.01%	FSL's Ratio is satisfactory with the average industry.
(ii) Operating Income Ratio	12.95%	11.60%	FSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	10.93%	6.37%	FSL's Ratio is better than the industry average ratio as higher net profit.
(iv) Return on Assets Ratio	10.76%	10.96%	FSL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	64.36%	25.33%	FSL's Ratio is better than the industry average ratio as higher net profit.
(vi) Basic Earnings Per Share (EPS)	148.18	41.52	FSL's Ratio is better than the average industry.
(vii) EBITDA Margin	17.43%	12.78%	FSL's Ratio is better than the industry average ratio as higher net profit.
(viii) Adjusted EPS	1.09	41.52	FSL's Ratio is satisfactory.
IV. Coverage Ratios:			
(i) Debt to Total Assets Ratio	0.08	0.26	FSL's Ratio better than the industry average ratio as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	14.28	Not Available	FSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow:			
(iii) Net Operating Cash Flow per Share	176.14	47.36	FSL's Ratio is satisfactory as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	1.19	1.20	FSL's Ratio is satisfactory as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Apex Footwear Limited and Bata Shoe Company (Bangladesh) Limited for the year ended December 31, 2013. (Source: Annual Report)

FORTUNE SHOES LTD.		Industry Average ***	
Particulars	31/05/2013	31.12.2012	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	3.74	1.34	FSL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	2.21	0.23	FSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	20.31	114.07	FSL's Ratio is satisfactory as operating profit is sufficient to pay financial expense.
(iv) Debt to Equity Ratio	0.47	0.84	FSL's Ratio better than the industry average ratio as debt burden is lower than equity.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	4.93	24.75	FSL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	5.95	2.54	FSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	1.00	1.65	FSL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	17.36%	25.98%	FSL's Ratio is satisfactory with the average industry.
(ii) Operating Income Ratio	13.01%	11.12%	FSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	11.74%	5.88%	FSL's Ratio is better than the industry average ratio as higher net profit.
(iv) Return on Assets Ratio	11.69%	10.93%	FSL's Ratio is better than the industry average ratio as higher net profit.
(v) Return on Equity Ratio	108.53%	27.29%	FSL's Ratio is better than the industry average ratio as higher net profit.
(vi) Basic Earnings Per Share (EPS)	1208.34	36.06	FSL's Ratio is better than the average industry.
(vii) EBITDA Margin	17.69%	12.67%	FSL's Ratio is better than the industry average ratio as higher net profit.
(viii) Adjusted EPS	0.81	36.06	FSL's Ratio is satisfactory.
IV. Coverage Ratios:			
(i) Debt to Total Assets Ratio	0.06	0.27	FSL's Ratio better than the industry average ratio as debt burden is lower than assets.
(ii) Debt Service Coverage Ratio	52.52	Not Available	FSL's Ratio is satisfactory as net operating profit is sufficient to pay financial expense and long term debt.
V. Cash Flow:			
(iii) Net Operating Cash Flow per Share	(1,603.99)	18.56	FSL's Ratio is negative as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	(1.33)	0.20	FSL's Ratio is negative as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Apex Footwear Limited and Bata Shoe Company (Bangladesh) Limited for the year ended December 31, 2012. (Source: Annual Report)

FORTUNE SHOES LTD.		Industry Average ***	
Particulars	31/05/2012	31.12.2011	Remark/ Explanation
	Ratio	Ratio	
I. Liquidity Ratios:			
(i) Current Ratio	4.73	1.30	FSL's Current Ratio is better than the industry average current ratio because of relatively lower current liabilities.
(ii) Quick Ratio	2.56	0.25	FSL's Ratio is better than the industry average ratio as quick assets are relatively higher.
(iii) Times Interest Earned Ratio	1,194.51	1.78	FSL's Ratio better than the industry average ratio as operating profit is sufficient to pay financial expense.
(iv) Debt to Equity Ratio	-	0.75	FSL's Ratio is nil because of no debt.
II. Operating Ratios:			
(i) Accounts Receivable Turnover Ratio	4.23	35.79	FSL's Ratio is satisfactory as collection period is shorter.
(ii) Inventory Turnover Ratio	4.23	2.54	FSL's Ratio is satisfactory as inventory is sold in shorter time.
(iii) Asset Turnover Ratio	0.79	1.67	FSL's Ratio is satisfactory with the average industry.
III. Profitability Ratios:			
(i) Gross Margin Ratio	16.89%	24.44%	FSL's Ratio is satisfactory with the average industry.
(ii) Operating Income Ratio	14.17%	3.95%	FSL's Ratio is better than the industry average ratio as higher operating profit.
(iii) Net Income Ratio	13.70%	5.91%	FSL's Ratio is better than the industry average ratio as higher net profit.
(iv) Return on Assets Ratio	10.87%	10.98%	FSL's Ratio is satisfactory with the average industry.
(v) Return on Equity Ratio	192.30%	30.12%	FSL's Ratio is better than the industry average ratio as higher net profit.
(vi) Basic Earnings Per Share (EPS)	499.22	32.60	FSL's Ratio is better than the average industry.
(vii) EBITDA Margin	20.51%	4.77%	FSL's Ratio is better than the industry average ratio as higher net profit.
(viii) Adjusted EPS	0.33	32.60	FSL's Ratio is satisfactory.
IV. Coverage Ratios:			
(i) Debt to Total Assets Ratio	-	0.22	FSL's Ratio is nil because of no debt.
(ii) Debt Service Coverage Ratio	-	Not Available	FSL's Ratio is nil because of no long term debt and interest payment.
V. Cash Flow:			
(iii) Net Operating Cash Flow per Share	(507.33)	(7.76)	FSL's Ratio is negative as Net Operating Cash Flow is positive.
(iv) Net Operating Cash Flow per Share/EPS	(1.02)	(0.70)	FSL's Ratio is negative as Net Operating Cash Flow is positive.

*** The Industry average ratio is calculated through using the ratio of 2 listed similar companies namely Apex Footwear Limited and Bata Shoe Company (Bangladesh) Limited for the year ended December 31, 2011. (Source: Annual Report)

N.B: For wider range of data, we communicate with Bangladesh Bureau of Statistics, Leather goods and Bangladesh Bank. But, we were informed that none of them maintain such ratios with regard to industry concern.

- (d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪. The report shall include comparative income statements and balance sheet and aforementioned ratios for immediate preceding five accounting years of the issuer. If the issuer has been in commercial operation for less than five years, the above mentioned inclusion and submission will have to be made for the period since commercial operation;

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We have compiled the accompanying statements of Fortune Shoes Ltd. U/S 135 (1) and Para 24 (1) Part II of the Third Schedule of Companies Act 1994. The statement comprises of the financial information for the period ended February 29, 2016 and for the year ended May 31, 2015 audited by Mahfel Huq & Co., Chartered Accountants and for the year ended May 31, 2014, 2013, 2012 and 2011 audited by T. Hussain & Co., Chartered Accountants. Our report is as under:

1. The Fortune Shoes Ltd. was incorporated on 14 March, 2010.
2. The financial position of the Company over the last 5 years is as follows:

A) Statements of Assets and Liabilities of the company is as under:

Particulars	Amount in Taka					
	29-Feb-2016	31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
ASSETS	(9 Months)					
A: Non Current Assets	654,760,405	658,826,978	502,703,530	402,778,597	267,671,827	109,638,221
Property, Plant & Equipment	620,472,553	619,572,839	502,703,530	402,778,597	267,671,827	34,589,640
Capital Work in Progress	34,287,852	39,254,139	-	-	-	73,710,567
Preliminary Expenses	-	-	-	-	-	1,338,014
B: Current Assets	561,209,373	531,244,496	326,995,807	281,898,921	81,117,497	1,041,779
Inventories	208,291,382	172,754,228	117,390,583	107,162,733	35,788,661	-
Trade and other receivables	331,297,796	313,467,591	187,382,015	165,767,061	43,090,663	-
Advance, Deposits and Prepayments	11,231,893	35,872,789	14,662,270	7,910,747	1,488,576	-
Cash and Cash Equivalents	10,388,302	9,149,888	7,560,939	1,058,380	749,597	1,041,779
Total Assets (A+B)	1,215,969,778	1,190,071,474	829,699,337	684,677,518	348,789,324	110,680,000

EQUITY AND LIABILITIES

<u>C : Shareholder's Equity</u>	1,030,990,701	305,801,428	167,376,963	85,877,865	25,460,894	500,000
Share Capital	750,000,000	96,150,000	5,500,000	500,000	500,000	500,000
Retained Earnings	280,990,701	209,651,428	161,876,963	85,377,865	24,960,894	-
<u>D : Non-Current Liabilities</u>	56,932,336	712,381,898	552,810,991	523,413,431	306,174,000	110,180,000
Long Term Loan	19,668,623	25,830,579	30,880,991	17,639,431	-	-
Deferred Tax Liability	37,263,713	32,701,319	-	-	-	-
Share Money Deposit	-	653,850,000	521,930,000	505,774,000	306,174,000	110,180,000
<u>E : Current Liabilities</u>	128,046,741	171,888,148	109,511,383	75,386,222	17,154,430	-
Current Maturity of Long Term Loan	3,742,952	4,915,577	2,433,090	2,020,569	-	-
Short Term Borrowings	24,270,331	28,315,316	33,576,107	20,408,382	-	-
Trade and Other Payable	100,033,458	138,657,255	47,398,227	37,512,253	11,376,235	-
Creditors & Accruals	-	-	21,118,923	12,174,030	5,778,195	-
Profit (Interest) Payable	-	-	4,985,036	3,270,988	-	-
<u>Total Liabilities (D+E)</u>	184,979,077	884,270,046	662,322,374	598,799,653	323,328,430	110,180,000
<u>Total Equity and Liabilities (C+D+E)</u>	1,215,969,778	1,190,071,474	829,699,337	684,677,518	348,789,324	110,680,000
Net Asset Value (NAV) per Share	13.75	31.80	304.32	1,717.56	509.22	10.00

- Share split on January 14, 2015 of face value per share from Tk. 100.00 to Tk. 10.00. Thus, Net Asset Value (NAV) per Share for all the years is calculated through using Tk. 10.00 per share.
- Auditors' report under section 135(1) of the Companies Act, 1994 has been prepared on the basis of latest financial statements. As per management's decision, Trade and other payable and creditors & accruals were presented separately in the financial statements up to 31.05.2014. In the financial statements as on 31.05.2015, management has presented Trade and other payable and creditors & accruals in one head for better presentation as per BAS 1 Para 54. Similarly, Profit (Interest) payables were separately disclosed in the financial statements up to 31.05.2014. In the financial statements as on 31.05.2015; management has included Profit (Interest) payable into the Current Maturity of Long Term Loan and Short Term Borrowings.

B) The statements of operating results of the company is as follow:

Particulars	29-Feb-2016 (9 Months)	Amount in Taka				
		31-May-2015	31-May-2014	31-May-2013	31-May-2012	31-May-2011
(A) Turn Over	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	~
(B) Cost of goods sold	608,554,442	753,608,282	615,079,861	425,266,701	151,392,028	~
(C) Gross Profit (A-B)	130,060,806	161,880,416	130,788,579	89,355,994	30,766,248	~
(D) Operating Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	~
Administrative Expenses	31,110,848	40,917,446	34,186,253	22,395,602	4,952,988	~
(E) Profit from Operation (C-D)	98,949,958	120,962,970	96,602,326	66,960,392	25,813,260	~
(F) Financial Expenses	5,570,060	7,857,570	7,723,955	3,296,398	21,610	~
(G) Foreign Exchange Gain/(Loss)	(32,083)					
(H) Profit before Income Tax (E-F+G)	93,347,815	113,105,400	88,878,371	63,663,994	25,791,650	~
(I) Provision for taxation	16,335,868	19,793,444	7,379,273	3,247,023	830,756	~
Current Tax Expense	11,773,474	10,629,616	7,379,273	3,247,023	830,756	~
Deferred Tax Expense	4,562,394	9,163,828	-	-	-	~
(J) Profit for the Year (H-I)	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	~
Other Comprehensive Income	~	~	~	~	~	~
Total Comprehensive Income for the Year	77,011,947	93,311,956	81,499,098	60,416,971	24,960,894	~
Basic Earnings per Share (EPS)	1.03	9.70	148.18	1,208.34	499.22	~
Adjusted Earnings per Share (EPS)	1.03	1.24	1.09	0.81	0.33	~

Share split on January 14, 2015 of face value per share from Tk. 100.00 to Tk. 10.00. Thus, Basic Earnings per Share (EPS) for all the years is calculated through using Tk. 10.00 per share. Adjusted Earnings per Share (EPS) for all the years is calculated considering the latest number of share i.e. 75,000,000.00

3. Dividend declared:

Particulars	29-02-2016	31-05-2015	31-05-2014	31-05-2013	31-05-2012	31-05-2011
	(9 Months)					
Cash Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Stock Dividend (Bonus Share)	Nil	Nil	400%	1,000%	Nil	Nil

4. Fortune Shoes Ltd. (FSL) was incorporated in Bangladesh as a Private Limited Company with the issuance of Certificate of incorporation bearing no. CH-7590/10 dated on March 14, 2010 by the Registrar of Joint Stock Companies & Firms. The Company Converted into public Limited Company and split of Share value from Tk. 100 to Tk. 10 dated on January 14, 2015.
5. The Company started its commercial operation in 07th September, 2011.
6. The company had no subsidiary company as on the balance sheet date.
7. No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.
8. The Company did not prepare any statement of accounts for the period subsequent to February 29, 2016.

Place: Dhaka
Date: June 09, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Financial spread sheet analysis for the latest audited financial statements;

Fortune Shoes Limited
Statement of Financial Position
As at February 29, 2016 (3rd Quarter)

Particulars	Amount	Percentage on Total Asset	Grand Total
PROPERTY & ASSETS			
NON-CURRENT ASSETS	654,760,405		53.85%
Property, Plant and Equipment	620,472,553	51.03%	
Land	681,818	0.06%	
Land Development	33,242,876	2.73%	
Factory Buildings	181,648,712	14.94%	
Office Building	24,378,624	2.00%	
Plant & Machinery	300,566,144	24.72%	
Substation, Electrical Installation & Equipment	44,317,491	3.64%	
Generator	7,160,749	0.59%	
Vehicles	4,589,320	0.38%	
Furniture and Fixture	6,916,972	0.57%	
Office Equipment	4,971,067	0.41%	
Fire Equipment	1,591,310	0.13%	
Air Conditions and Air Cooler	10,407,471	0.86%	
Capital Work in Progress	34,287,852		2.82%
CURRENT ASSETS	561,209,373		46.15%
Inventories	208,291,382	17.13%	
Raw Materials	117,467,544	9.66%	
Work-In-Progress	58,812,649	4.84%	
Finished Goods	28,234,835	2.32%	
Stores & Spares	3,776,354	0.31%	
Trade & Other Receivables	331,297,796	27.25%	
Trade and other receivables	331,297,796	27.25%	
Advances, Deposits and Pre-payments	11,231,893	0.92%	
Advance to Employees	615,500	0.05%	
Advance Income Tax	9,562,643	0.79%	
Advance Insurance Premium	1,053,750	0.09%	
Cash and Cash Equivalents	10,388,302	0.85%	
Total Assets	1,215,969,778		100.00%
SHAREHOLDERS' EQUITY & LIABILITIES			
SHAREHOLDERS EQUITY	1,030,990,701		84.79%
Share Capital	750,000,000	61.68%	
Retained Earnings	280,990,701	23.11%	
NON CURRENT LIABILITY	56,932,336		4.68%
Long Term Loan	19,668,623	1.62%	
Deferred Tax Liability	37,263,713	3.06%	
CURRENT LIABILITY	128,046,741		10.53%
Current Portion of Long Term Loan	3,742,952	0.31%	
Short Term Bank Loan	24,270,331	2.00%	
Trade Creditors	73,291,591	6.03%	
Liabilities for Expenses	26,741,867	2.20%	
Utilities Bills	1,076,199	0.09%	
Salary & Wages	8,716,358	0.72%	
Income Tax Payable	16,845,810	1.39%	
Audit Fees	103,500	0.01%	
Total Liabilities & Shareholders Equity	1,215,969,778		100%

Fortune Shoes Limited
Statement of Profit and Loss and Other Comprehensive Income
For the Period from June 1, 2015 to February 29, 2016

Particulars	Year ended February 29, 2016	Percentage on Total Turnover	Grand Percentage
Turnover	738,615,248		100%
Sales Revenue	738,615,248		
Less: Cost of Goods Sold	608,554,442		82.39%
Raw material consumed	510,622,665	69.13%	
Manufacturing Overhead	125,400,540	16.98%	
	636,023,205		
Add. Opening Work-in-Process	46,431,664		
	682,454,869		
Less. Closing Work-in-Process	(58,812,649)		
Cost of Production	623,642,220	84.43%	
Add. Opening Stock of Finished Goods	14,628,320		
	638,270,540		
Less. Sample Expense	(1,481,263)		
Less. Closing Stock of Finished Goods	(28,234,835)		
Gross Profit	130,060,806		17.61%
Less: Operating Expenses	31,110,848		4.21%
Administrative & Selling Expenses	31,110,848	4.21%	
Operating Profit	98,949,958		13.40%
Less: Financial Expenses	5,570,060		0.75%
Interest for bank loan and Charge	5,570,060	0.75%	
Less: Foreign Exchange Loss	32,083		0.004%
NET PROFIT BEFORE TAX	93,347,816		12.64%
Less: Provision for Tax	16,335,868		2.21%
Current Tax	11,773,474	1.59%	
Deferred Tax	4,562,394	0.62%	
Net Profit after Tax	77,011,948		10.43%

Fortune Shoes Limited
Worksheet Analysis
For the Period ended February 29, 2016 (3rd Quarter)

Particulars	Trial Balance		Adjustment		Adjusted Trial balance		Statement of Profit or Loss and Other Comprehensive Income		Statement of Changes in Equity(Retained Earnings)		Statement of Financial Position	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
Property, Plant & Equipment	774,088,352				774,088,352						774,088,352	
Accumulated Depreciation		115,334,764		38,281,035		153,615,799						153,615,799
Capital Work in Progress	34,287,852				34,287,852						34,287,852	
Inventories	208,291,382				208,291,382						208,291,382	
Trade and other receivables	331,297,796				331,297,796						331,297,796	
Advance, Deposits and Prepayments	-		11,231,893		11,231,893						11,231,893	
Cash and Cash Equivalents	10,388,302				10,388,302						10,388,302	
Share Capital		750,000,000				750,000,000						750,000,000
Opening Retained Earnings		209,651,428				209,651,428				209,651,428		
Long Term Loan		19,668,623				19,668,623						19,668,623
Deferred Tax Liability		37,263,713				37,263,713						37,263,713
Current Maturity of Long Term Loan		3,742,952				3,742,952						3,742,952
Short Term Borrowings		24,270,331				24,270,331						24,270,331
Trade and Other Payable		73,291,591				73,291,591						73,291,591
Liabilities for Expense		-		9,896,057		9,896,057						9,896,057
Income Tax Payable		16,845,810				16,845,810						16,845,810
Sales Revenue		738,615,248				738,615,248	738,615,248					
Cost of Goods Sold (Excluding Depreciation)	566,293,796		7,330,223	1,053,750	572,570,269		572,570,269					
Administrative & Selling Expenses (Excluding Depreciation)	36,426,295		2,565,834	10,178,143	28,813,986		28,813,986					
Depreciation Expense	-		38,281,035		38,281,035		38,281,035					
Financial Expenses	5,570,060				5,570,060		5,570,060					
Foreign Exchange Loss	32,083				32,083		32,083					
Current Tax	11,773,474				11,773,474		11,773,474					
Deferred Tax (Income)/Expenses	4,562,394				4,562,394		4,562,394					
Prior year adjustment for Depreciation charge to Land Development	2,774,946				2,774,946				2,774,946			
Short Provision of Income tax Expenses for previous years	2,897,727				2,897,727				2,897,727			
	1,988,684,459	1,988,684,459	59,408,985	59,408,985	2,036,861,551	2,036,861,551	661,603,300	738,615,248				
Net Profit							77,011,948			77,011,948		
							738,615,248	738,615,248	5,672,673	286,663,376		
Closing Retained Earnings									280,990,702			280,990,702
									286,663,376	286,663,376		
											1,369,585,577	1,369,585,577

- (f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares) in addition to the weighted average number of shares basis. Future projected Net Income should not be considered while calculating the weighted average EPS;

As per audited financial statement as at 31 May, 2015

Particulars	Amount in Taka
Net profit after Tax	93,311,956
Total existing number of Share	75,000,000
Weighted average number of Share	5,459,123
Earnings per Share (EPS)-Fully Diluted Basis	1.24
Earnings per Share (EPS)-Weighted average no. of Share basis	17.09

- (g) All extra-ordinary income or non-recurring income coming from other than core operations should be shown separately while showing the Net Profit as well as the Earnings Per Share;

As per audited financial statement as at 31 May, 2015

Particulars	Amount in Taka
Net profit before Tax	113,105,400
Less: Other Income	0
Net profit before tax except other income	113,105,400
Less: Deferred Tax Expenses	9,163,828
Less: Provision for Taxation	10,629,616
Net profit after tax except other income	93,311,956
No. of shares	75,000,000
Earnings per Share (EPS)	1.24

- (h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS;
This information is not applicable for us.
- (i) Net asset value (with and without considering revaluation surplus/reserve) per unit of the securities being offered at the date of the latest audited statement of financial position.

As per audited financial statement as at 31 May, 2015

Particulars	Amount in Taka
Share Capital	96,150,000
Retained Earnings	209,651,428
Total Shareholders' Equity	305,801,428
Total Number of Ordinary Share	9,615,000
Net Assets Value (NAV) at BDT 10.00 per share	31.80

- (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency/anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.
This information is not applicable for us.

(k) Following statements for the last five years or any shorter period of commercial operation certified by the auditors: -

- (i) Statement of long term and short term borrowings including borrowing from related party or connected persons with rate of interest and interest paid/accrued;

Certification on Statement of Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons with rate of interest paid/accrued;

After due verification, we certify that the Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons of FORTUNE SHOES LTD. for the last five years made up as follows:

For the Year ended February 29, 2016:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 29 Feb. 2016 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank Ltd. Barisal Br.	Lender	Long Term	20,853,385	15.50%	2,652,958	
		Interest Accrued	2,558,190			2,558,190
Sub Total			23,411,575		2,652,958	2,558,190
Islami Bank Ltd. Barisal Br.	Lender	Short Term	21,858,877	7%- 15.50%	2,894,753	
		Interest Accrued	2,411,454			2,411,454
Sub Total			24,270,331		2,894,753	2,411,454
Grand Total			47,681,906		5,547,711	4,969,644

For the Year ended May 31, 2015:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 May. 2015 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank Ltd. Barisal Br.	Lender	Long Term	27,865,751	15.50%	5,291,213	
		Interest Accrued	2,880,405			2,880,405
Sub Total			30,746,156		5,291,213	2,880,405
Islami Bank Ltd. Barisal Br.	Lender	Short Term	26,224,925	7%- 15.50%	2,556,922	
		Interest Accrued	2,090,391			2,090,391
Sub Total			28,315,316		2,556,922	2,090,391
Grand Total			59,061,472		7,848,135	4,970,796

For the Year ended May 31, 2014:

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 May 2014 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank Ltd. Barisal Br.	Lender	Long Term	33,314,081	15.50%	4,035,617	3,208,811
		Sub Total	33,314,081		4,035,617	3,208,811
Islami Bank Ltd. Barisal Br.	Lender	Short Term	33,576,107	7%- 15.50%	1,945,750	1,776,225
		Sub Total	33,576,107		1,945,750	1,776,225
Grand Total			66,890,188		5,981,367	4,985,036

For the Year ended May 31, 2013

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 May 2013 (BDT)	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
Islami Bank Ltd. Barisal Br.	Lender	Long Term	19,660,000	15.50%	-	1,791,850
Sub Total			19,660,000		-	1,791,850
Islami Bank Ltd. Barisal Br.	Lender	Short Term	20,408,382	7%- 15.50%	-	1,479,138
Sub Total			20,408,382		-	1,479,138
Grand Total			40,068,382		-	3,270,988

For the Year ended May 31, 2012

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 May 2012	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
	Lender	Long Term	Nil	Nil	Nil	Nil
Sub Total						
	Lender	Short Term				
Sub Total						
Grand Total						

For the Year ended May 31, 2011

Name of the Parties	Nature of Relationship	Nature of Borrowings	Balance as on 31 May 2011	Interest Rate (%)	Interest Paid (BDT)	Interest Accrued (BDT)
	Lender	Long Term	Nil	Nil	Nil	Nil
Sub Total						
	Lender	Short Term				
Sub Total						
Grand Total						

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(ii) Statement of principal terms of secured loans and assets on which charge have been created against those loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

Certification on Statement of Principal Terms of Secured Loans and Assets on which Charge have been Created Against Those Loans with names of lenders, purpose, sanctioned amount, rate of interest, primary security, collateral/other security, re-payment schedule and status;

Particulars	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Names of lenders	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.		
Purpose	-	-	Procurement of Machineries and construction of factory building	Procurement of Machineries and construction of factory building		
Collateral Asset	100 Decimal Land	100 Decimal Land	100 Decimal Land	75 Decimal Land		
Sanctioned Amount (TK)	82.43 million	82.43 million	38.00 million	26.00 million		
Rate of Interest	15.50%	15.50%	15.50%	15.50%		
Collateral	1) Land along with factory buildings, plant & machinery, generator, vehicles 2) 274.80 decimal land from third party.	1) Land along with factory buildings, plant & machinery, generator, vehicles 2) 274.80 decimal land from third party.	1) Land along with factory buildings, plant & machinery, generator, vehicles 2) 274.80 decimal land from third party.	1) Land along with factory buildings, plant & machinery, generator, vehicles 2) 274.80 decimal land from third party.	No Loan was taken	No Loan was taken
Re-payment schedule	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment	60 Equal Monthly Installment		
Status (Outstanding balance Tk.)	23,411,575	30,746,156	33,314,081	19,660,000		

Particulars	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Names of lenders	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.	Islami Bank Ltd.	No Loan was taken	No Loan was taken
Purpose	Working Capital	Working Capital	Working Capital	Working Capital		
Collateral Asset	N/A	N/A	N/A	N/A		
Sanctioned Amount (TK)	270.00 million	270.00 million	90.00 million	50.00 million		
Rate of Interest	7%-15.50%	7%-15.50%	7%-15.50%	7%-15.50%		
Collateral	Stock of Raw Materials, WIP, Personal Guarantee, L/C related documents	Stock of Raw Materials, WIP, Personal Guarantee, L/C related documents	Stock of Raw Materials, WIP, Personal Guarantee, L/C related documents	Stock of Raw Materials, WIP, Personal Guarantee, L/C related documents		
Re-payment schedule	Within one year	Within one year	Within one year	Within one year		
Status (Outstanding balance Tk.)	24,270,331	28,315,316	33,576,107	20,408,382		

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(iii) **Statement of unsecured loans with terms & conditions;**

Certification on unsecured loan with terms and conditions of Fortune Shoes Ltd.

This is to certify that **Fortune Shoes Ltd.** did not take any unsecured loan from 14 March 2010 to 29 February 2016.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (iv) Statement of inventories showing amount of raw material, packing material, stock-in-process and finished goods, consumable items, store & spares parts, inventory of trading goods etc.;

Certification on Statement of Inventories raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc.;

After due verification, we certify that the statement of inventories showing amount of raw material, packing material, stock-in process and finished goods, consumable items, store & spare parts, inventory of trading goods etc. of **Fortune Shoes Ltd.** for the last five years were as follows:

Figures in Bangladesh “Taka”

Items	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Raw Materials	117,467,544	107,458,673	63,208,712	59,268,920	13,020,727	Nil
Packing Material	-	-	-	-	-	Nil
Stock-In-Process	58,812,649	46,431,664	43,375,219	39,315,938	18,152,241	Nil
Finished Goods	28,234,835	14,628,320	9,219,327	7,512,455	3,732,037	Nil
Consumable Items	-	-	-	-	-	Nil
Store & Spares parts	3,776,354	4,235,571	1,587,325	1,065,420	883,656	Nil
Inventory of Trading Goods	-	-	-	-	-	Nil
Total	208,291,382	172,754,228	117,390,583	107,162,733	35,788,661	Nil

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(v) Statement of trade receivables showing receivable from related party and connected persons;

Certification on Statement of Trade Receivables showing receivable from related party and connected persons of Fortune Shoes Ltd.

After due verification, we certify that the statement of trade receivables showing receivables from related party and connected persons of **Fortune Shoes Ltd.** for the last five years were as follows:

Particulars	Amount in BDT					
	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
1.Theo Henkelman Schoenen BV	94,457,275	73,343,797	136,797,429	-	-	Nil
2. Programme International Co. Ltd	165,347,022	221,517,034	-	165,724,077	33,710,395	Nil
3. Nord Jump Company Ltd	-	18,606,760	5,674,529	-	-	Nil
4. China Treasure Treading Ltd	-	-	44,910,057	-	9,380,268	Nil
5. Dosenbach Schoenen BV	13,827,356	-	-	-	-	Nil
6. Theorema Scandinavia AB	28,882,899	-	-	-	-	Nil
7. Gebrueder Hammig GMBH	28,783,244	-	-	-	-	Nil
8. Cravatex Ltd	-	-	-	42,984	-	Nil
Sub Total	331,297,796	313,467,591	187,382,015	165,767,061	43,090,663	Nil
With Related Party	Nil	Nil	Nil	Nil	Nil	Nil
With Connected Persons	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total	331,297,796	313,467,591	187,382,015	165,767,061	43,090,663	Nil

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (vi) **Statement of any loan given by the issuer including loans to related party or connected persons with rate of interest and interest realized/accrued;**

Certification on Statement of any Loan Given by the issuer including loan to Related Party or Connected Persons with rate of interest and interest realized/accrued by the Fortune Shoes Ltd.

This is to certify that **Fortune Shoes Ltd.** did not give any loan to any related party or connected person from 14 March, 2010 to 29 February, 2016.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (vii) **Statement of other income showing interest income, dividend income, discount received, other non operating income;**

Certification on Statement of Other Income showing interest income, dividend income, discount received , other non operating income of Fortune Shoes Ltd.

After due verification, we certified that, **Fortune Shoes Ltd.** did not have “other income” during last five years from 14 March 2010 to 29 February 2016.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(viii) Statement of turnover showing separately in cash and through banking channel;

Certification on Statement of Turnover showing separately in cash and through banking channel of Fortune Shoes Ltd.

After due verification, we certify that the turnover showing separately in cash and through banking channel of **Fortune Shoes Ltd.** during last five years were as follows:

Particulars	Amount in BDT					
	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
In Cash	~	~	~	~	~	~
Through Banking Channel	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	Nil
Total	738,615,248	915,488,698	745,868,440	514,622,695	182,158,276	Nil

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(ix) Statement of related party transaction;

Certification on Statement of Related Party Transaction of Fortune Shoes Ltd.

After due verification, we certify that the status of related party transactions of **Fortune Shoes Ltd.** for the last five years were as follows:

Name	Designation	29-Feb-16		31-May-15		31-May-14		31-May-13		31-May-12		31-May-11	
		Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee	Remuneration	Board Fee
Md. Mizanur Rahman	Chairman		5,000	-	6,000	-	4,000	-	6,000	-	5,000	-	-
Md. Amanur Rahman	Director Human Resource	180,000	5,000	240,000	5,000	240,000	6,000	216,000	6,000	180,000	6,000	-	-
Md. Robiul Islam	Director Production	135,000	5,000	180,000	5,000	180,000	5,000	144,000	5,000	120,000	5,000	-	-
Mrs. Rokshana Rahman	Managing Director	135,000	5,000	180,000	4,000	180,000	5,000	144,000	5,000	120,000	4,000	-	-
Sub Total		450,000	20,000	600,000	20,000	600,000	20,000	504,000	22,000	420,000	20,000	-	-
Advance against investment in share of Bangladesh shoes industries Ltd.		-		20,000,000		-		-		-		-	
Return of Advance from Bangladesh shoes industries Ltd.		20,000,000		-		-		-		-		-	
Allotment to Bangladesh shoes industries Ltd.		-		1,500,000		-		-		-		-	
Allotment to Global shoes Ltd.		34,950,000		1,500,000		-		-		-		-	

Mrs. Rokshana Rahman is present Managing Director and in the year 2011, 2012, 2013, 2014 and 2015 she was Director Human Resource.

Md. Amanur Rahman is present Director Human Resource and in the year 2011, 2012, 2013, 2014 and 2015 he was Managing Director.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

(x) Reconciliation of business income shown in tax return with net income shown in audited financial statements;

Certification regarding Reconciliation of Business Income Shown in Tax Return with Net Income Shown in Audited Financial Statements of Fortune Shoes Ltd. for the last five years.

Particulars	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
Net income before tax as per Audited Financial Statements	113,105,400	88,878,371	63,663,994	25,791,650	~
Add: Accounting Depreciation	43,528,236	33,430,023	24,053,266	11,548,295	~
Add: Inadmissible expenses:	~	92,471	78,326	100,100	~
	156,633,636	122,400,865	87,795,586	37,440,045	~
Less: Depreciation	95,892,975	82,952,272	70,399,801	50,179,452	~
Less: Admissible expenses:	~	92,471	78,326	~	~
Income shown in Tax Return	60,740,661	39,356,122	17,317,459	(12,739,407)	~

*As 29 February 2016 this is the 3rd quarter period, so assessment is not applicable for this period.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (xi) Confirmation that all receipts and payments of the issuer above Tk.5,00,000/- (five lac) were made through banking channel;

Certification on receipts and payments above Tk. 500,000 (Five lac) were made through banking channel of Fortune Shoes Ltd.

This is to certify that all receipts and payments of **Fortune Shoes Ltd.** above Tk. 500,000 (Five lac) were made through banking channel from March 14, 2010 to February 29, 2016.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (xii) Confirmation that Bank Statements of the issuer are in conformity with its books of accounts;

Certification on books of accounts of Fortune Shoes Ltd. are in conformity with bank statements

This is to certify that the books of accounts of **Fortune Shoes Ltd.** from March 14, 2010 to February 29, 2016 are in conformity with bank statements.

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

- (xiii) Statement of payment status of TAX, VAT and other taxes/duties;

Certification on status of payment of TAX, VAT and other Taxes/Duties of Fortune Shoes Ltd.

After due verification, we certify that the status of TAX, VAT and other taxes/duties payment of **Fortune Shoes Ltd.** for the last five years were as follows:

Particulars	Payment Status					
	29-Feb-16	31-May-15	31-May-14	31-May-13	31-May-12	31-May-11
TAX	14,648,579	5,072,337	5,792,887	3,130,142	830,756	-
VAT	Exempted	Exempted	Exempted	Exempted	Exempted	Exempted
Other Taxes/Duties	N/A*	N/A*	N/A*	N/A*	N/A*	N/A*

* Import under Bond Facilities

Place: Dhaka
Date: 09 June, 2016

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

Auditors' additional disclosure relating to the financial statements of Fortune Shoes Limited**1. Confirmation about the validity of note No. 1.03:**

As per the bond license, management of the company confirms that Fortune Shoes limited is a 100% export oriented company.

2. Revenue generated from share investment of Bangladesh Shoes Industries Limited amounting Tk. 2.00 Crore and subsequent status of issuing securities:

Bangladesh Shoes Industries Limited not yet starts its commercial operation, so no revenue has been generating from the investment of shares in Bangladesh Shoes Industries Limited. Management of Fortune Shoes Limited has been withdrawn investment from Bangladesh Shoes Industries Limited from 13th September 2015 to 27th December 2015 through banking channel.

3. Increase in current portion of long Term loan does not match with increase in long term loan in year 2014:

Interest payable for the year 2015 was included in current portion of long term loan, but in the year 31.05. 2014 interest payable was presented separately; this is why increase in current portion of long Term loan does not match with increase in long term loan in year 2014.

4. Reason of charging financial expenses against no loan as shown on year ended on 31' May 2012:

Financial expenses shown in the financial statements as on 31.05.2012 is only 'bank charges', there is no interest on loan as no loan was received in the year 2011-2012.

5. Non-charges of depreciation on land property owned for BSCIC under 99 years lease:

The land of Fortune Shoes Limited has been taken under lease agreement for 99 (Ninety-Nine) years from Bangladesh Small and Cottage Industries Corporation (BSCIC) amounting Tk. 681,818.00 (six lac eighty one thousand eight hundred and eighteen). The management had not charged any depreciation on leasehold land up to the period ended February 29, 2016. The Board of Directors has made a decision to charge depreciation on Leasehold Land from the year ended May 31, 2016. The prior year adjustment will also be recognized in the financial statement ended May 31, 2016. The chargeable depreciation on leasehold land per year is Tk. 6,887.00 (Tk. 681,818.00/99 years) which is very insignificant.

6. Calculation of foreign exchange gain or loss as shown in other comprehensive income:

Trade Receivables	Receivable in USD	USD Rate	Receivable in BDT
Average Rate	4,195,319	78.9684	331,297,796
Current Market Rate	4,195,319	78.45	329,122,737
Marked to Market (Gain/ (Loss) (a)			(2,175,059)
Accepted L/C Liability	Payable in USD	USD Rate	Payable in BDT
Average Rate	902,038	80.8257	72,907,818
Current Market Rate	902,038	78.45	70,764,842
Marked to Market (Gain/ (Loss) (B)			2,142,976
Net Marked to Market (Gain/ (Loss) (A+B)			(32,083)

7. **Break up of Flat Purchase as shown in schedule of property:**

Particulars	
Flat cost (Tk.)	25,000,000.00
Registration & Legal Charges (Tk.)	2,501,150.00
Total (Tk)	27,501,150.00
Flat area (Sft.)	1,393.13
Car Parking (sft.)	110.00
Total area (sft.)	1,503.13

8. **Breakup of land and land devolvement cost:**

Sl. No.	Particular	Amount in Tk.
A	Land	681,818
B	Land development cost	
1	Earth Filling:	
	Earth Filling and entire factory premises area development cost up to 29.02.2016 by local sand, soil, with labor & carrying, including ditch area filling, 878,658 cft @ Tk.25 per cft	21,966,439
2	Internal Road:	
	Development and construction by Soil, Sand, Brick, Labor, Carrying cost of internal connectivity road area of factory premises. Road area 300 mtr @ Tk.8,900 per mtr	2,670,000
3	Boundary Wall :	
	15 feet height RCC pillar from ground level with grade beam and bricks work up to 10 feet high above grade beam running 284 mtr @ Tk.6,300 per mtr.	1,789,200
4	Water Sewerage Line	
	RCC Pipe, labor, carrying cost of Water Sewerage Line in factory premises 620 mtr @ Tk 4,791 per mtr	2,970,420
5	Water Reservoir	
	Water reservoir construction with RCC for cooling system 10,800 cft@ Tk 660 per cft	7,128,000
	Total	36,524,059

9. **Reason for not providing provision for WPPF in the Audited Accounts:**

Fortune Shoes limited (FSL) is a 100% export oriented shoe industry and member of Leather Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB). As per Sub-Section 3 of Section 232 of Bangladesh Labor Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:

“in case of a 100% export-oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector-based central fund comprising of buyers and owners, from a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector.”

For the above reason management didn't start making provision for WPPF because of not yet forming Board for fund raise and utilization by the government. The board shall format the rules of determination of subscription, procedure of collection and utilization of fund. FSL is a 100% export oriented company also the member of LFMEAB, that's why in the audited financial statements did not recognize WPPF.

10. List of all customers with detailed information:

List of all customers with detailed information are as follows:

Sl.	Customer Name	Address	Telephone Number	Web Address	E-mail	Fax Number
1	Theo Henkelman Schoenen BV	Portbus 10123, 6000 GC Weert, Netherlands	+31 (0) 495 543959	www.henkelman.nl	harrie.dekort@henkelman .com	+31 (0) 495 541181
2	Programme International Co. Ltd.	6F-3, No-22, Aiguo E. Road, Zhongzheng Dist, Taipei, Taiwan, 10092 Taiwan	00886-2-3322 3280	No web address	fupro@swagger- shoes.com	Fax- +86595681275 55
3	XTI Footwear Sl	PP-690-30510, Yecla-Murcia, Spain	TEL- +34968718313	www.xti.es	xti@xties	FAX- +34968718340
4	Comforta Nieuwkoop B.V.	Nijverheidsweg 5 2421 LR Nieuwkoop, Zwanenburg, Netherlands	+31 172 57 92 02	www.actievegroenehart.	e: yvonne@cmforta.nl	The company has no fax
5	Dosenbach- Ochsner AG	Allmendstrasse 25, Dietikon, 8953, Switzerland	41 44 745 45 11	www.deichmann.com	service- it@deichmann.com	41 44 745 45 95
6	Theorema Scandinavia AB	Box 28, SE-280 64 Glimåkra, Sweden	+46 73 40 77 447	www.theorema.se	ola persson <ola@theorema.se>	The company has no fax
7	Van Haren Schoenen BV	Square 40 45 103, 1063 KP Route Amsterdam, Nethetland	020 448 1500	www.vanharen.nl	klantenservice@vanharen. net	The company has no fax
8	Town Shoes Limited Kodiak	44 Kodiak Crescent Toronto On M3j 3g5, Canada	416-638-5011	ts.townshoes.ca	service@townshoes.ca	The company has no fax
9	Gefbrueder Hammic GMBH	Rennwiese 9-11, 77855 Achern, Germany	Phone:+49 7841 62920	www.hammig.de	info@hammig.de	Phone:+49 7841 62934

11. Break up of payment to others in the cash flow statement:

Particulars	Amount (in Tk.)
Manufacturing Expenses (Excluding Depreciation & opening and closing adjustment)	(22,451,754)
Administrative Expenses (Excluding Depreciation & opening and closing adjustment)	(6,014,286)
Payment to Others	(28,466,040)

12. Detailed of payments made against plant & machinery during the period ended 29 February 2016:

Detail of payment for plant & machinery are as follows:

Name of Bank: Islami Bank Bangladesh Ltd.

L/C No	Date	Amount
91014010063	01.09.14	48,450.23
	04.09.14	96,705.20
	04.09.14	7,000,000.00
	12.04.15	17,031,145.57
Sub Total		24,176,301.00
Installation & Other Cost:		746,306.00
Grand Total Cost		24,922,607.00

13. Subsequent status of Trade & other receivables as shown in note no 6.00 amounting to Tk. 331,297,796.00 :

Sl No.	Customer's Name	Total Value in Taka	Present Status
1	Programme International Co. Ltd	165,347,022	63% realized
2	Theo Henkelman Schoenen BV	94,457,275	55% realized
4	Dosenbach Schoenen BV	13,827,356	31% realized
5	Theorema Scandinavia AB	28,882,899	37% realized
6	Gebrueder Hammig GMBH	28,783,244	29% realized
Grand Total		331,297,796	

14. Auditors' confirmation regarding obtaining balance confirmation certificates from all debtors as shown in note 6.00:

Fortune Shoes Limited is a 100% export oriented shoe company. It sales its product through confirm of letter of credit. The receivable is confirmed by the L/C opening corresponding bank. Hence, we did not sent balance confirmation certificates to all debtors as named mentioned in note no. 6.00.

15. Remarks mentioned at condition 1.5 (x) of compliance report of the corporate governance guideline:

Remarks mentioned at condition 1.5 (x) of compliance report of the corporate governance guideline has been corrected by the management and now there is no remarks for this condition.

Place: Dhaka
Date: June 09, 2016

Sd/-
Mahfel Huq & Co.
Chartered Accountants

CHAPTER (XXVII): PUBLIC ISSUE APPLICATION PROCEDURE**Step-1 (Applicant)**

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. the subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a) Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b) Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to the concerned Stockbroker/Merchant Banker. A Non-resident Bangladeshi (NRB) and Foreign applicant may also submit a single draft against 02(two) applications made by him/her, i.e. one in his/her own name and the other jointly with another person. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall:
 - a) post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b) accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank within the first banking hour of **next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c) instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall prepare a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send to the respective Exchange, the lists of applicants in electronic (text format with tilde '~' separator) format, the certificate(s) issued by its banker, the drafts received from Non-resident Bangladeshi (NRB) and Foreign applicants and a copy of the list containing the draft information.
7. **On the next working day**, the Exchanges shall provide the Issuer with the information received from the Stockbroker/Merchant Bankers, the drafts submitted by Non-resident Bangladeshi (NRB) and Foreign applicants and the list containing the draft information. Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website and websites of the Exchanges. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the Exchanges **within 10 (ten) working days** from the date of receiving information from the Exchanges.
12. The Issuer and the issue manager shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Exchanges, if do not receive any observation from the Commission or the Exchanges.
13. The Issuer and issue manager shall arrange posting the lottery result on their websites within **06 (six) hours** and on the websites of the Commission and Exchanges within **12 (twelve) hours** of lottery.
14. Within **02 (two) working days** of conducting lottery, the Issuer shall:
 - a) send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Exchange.
 - b) send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the Commission and Exchanges mentioning the penalty amount against each applicant.
 - c) issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Exchange in electronic form.
 - d) send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
- a) remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow Account opened for subscription purpose, and unblock the amount of unsuccessful applicants;
 - b) send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
16. **On the next working day** of receiving the documents from the Exchanges, the Stockbrokers/Merchant Banker shall request its banker to:
- a) release the amount blocked for unsuccessful (other than NRB and foreign) applicants;
 - b) remit the aggregate amount of successful applicants and the penalty amount of unsuccessful applicants (other than NRB and foreign) who are subject to penal provisions to the respective 'Escrow' accounts of the Issuer opened for subscription purpose.
17. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
18. **Simultaneously**, the stockbrokers/Merchant Bankers shall release the application money blocked in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts and send documents to the Exchange evidencing details of the remittances made to the respective 'Escrow' accounts of the Issuer. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
19. All drafts submitted by NRB or Foreign applicants shall be deposited in the Issuer's respective 'Escrow' accounts and refund shall be made by the Issuer by refund warrants through concerned stockbroker or merchant banker or transfer to the applicant's bank account through banking channel within 10 (ten) working days from the date of lottery.

Miscellaneous:

20. The Issuer, Issue Manager(s), Stockbrokers and Merchant Bankers shall ensure compliance of the above.
21. The bank drafts (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
22. Amount deposited and blocked in the "Public Issue Application Account" shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
23. The Issuer shall pay the costs related to data transmission, if claimed by the Exchange concerned up to an amount of Tk.2,00,000.00 (taka two lac) for a public issue.

24. The Stockbroker/Merchant Bankers shall be entitled to a service charge of Tk.5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
25. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
26. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.
27. The concerned Exchange are authorized to settle any complaints and take necessary actions against any Stockbroker/Merchant Banker in case of violation of any provision of the public issue application process with intimation to the Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																		
Client Code	:																		
BO ID No.	:																		
Category of applicant	:																		
Name of the Company	:																		
Number of Shares	: Shares of Tk. each																	
Total amount in Tk.	:																		
Amount in word	:																		

Applicants

Authorized Officer

CHAPTER (XXVIII): OTHERS**ADDITIONAL DISCLOSERS OF THE MANAGEMENT****1. Statement regarding Cost Audit**

This is to certify that, as per provision of the Companies Act 1994, Cost Audit by professional Accountant is not applicable for “Fortune Shoes Ltd.”

Sd/- Md. Mohiuddin Mollah Chief Financial Officer Fortune Shoes Ltd.	Sd/- Mrs. Rokshana Rahman Managing Director Fortune Shoes Ltd.	Sd/- Md. Salauddin Sikder FCMA CEO & Managing Director Imperial Capital Ltd.	Sd/- Sheikh Mortuza Ahmed Managing Director Prime Bank Investment Ltd.
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2. WPPF as per the provision of section 232 and 234 of the Bangladesh Labor Law 2006 was not found;**Our response:**

We are a 100% export oriented shoe industry and member of Leather Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB). As per Sub-Section 3 of Section 232 of Bangladesh Labor Act 2006 re-placed by the Act No 30, Para 63 of the year 2013 as follows:

“in case of a 100% export-oriented industrial sector or for any industry investing 100% foreign exchange, the Government, through enactment of Rule, shall adopt required provisions with regard to formation of sector-based central fund comprising of buyers and owners, from a Board to execute that fund, determine contributions and their realization procedure and provisions for utilizations of the money for the welfare of the beneficiaries in the sector.”

We didn't start making provision for WPPF because of not yet forming Board for fund raise and utilization by the government. The board shall format the rules of determination of subscription, procedure of collection and utilization of fund. We are a 100% export oriented company also the member of LFMEAB, that's why did not recognize WPPF before forming Board.

3. It appears that Tk. 9.28 Crore (42%) of IPO proceeds will be utilized for building construction. It also appears from loan agreement that Islami Bank Ltd. provided Tk. 3.00 Crore (57% of construction) to issuer company for additional building construction for period of 5 (five) years on condition that the issuer company would finance 43%. As such, the construction value of project building stood at Tk. 5.26 Crore. In this regard, explanations are required;**Our response:**

Management planned to expand its factory building (24,000 sft.) construction by Tk. 5.26 Crore, but it was delayed to get sanction from bank and by this time company constructed 6,500 sft by Tk. 1.43 Crore from own source. Then management decided not to use loan sanctioned amount for construction purpose. The management further planned to expand existing factory building construction 26,939 sft. by Tk. 50,970,598 and new factory building construction of 12,000 sft. (3 storied X 4,000 sft.) by Tk. 41,852,402 (Total Tk. 9.28 Crore) from IPO fund.

4. Explanation is required for increase of turnover by 182% in the year ended 31/5/2013 comparing to 31/05/2012;

Our response:

We are a 100% export oriented shoe industry. After getting order, we produce and export our product by considering all cost and profit associated with the order. After starting commercial operation we got huge order and resultant our revenue increased and growth of revenue is uptrend. This up trend is continuing till now.

5. Explanation regarding 7686% increase of current assets from the year ended 31/5/2011 to 31/5/2012 is required;

Our response:

Our Company was incorporated on 14th March 2010 and our commercial operation starts on 7th September 2011, That's why on 31.05.2011 current assets was only cash and cash equivalents. On 31.05.2012 we were in operations and we have had inventories, receivables, advances and cash and cash equivalents. So there were a huge changes in current assets between 31.05.2011 and 31.05.2012.

6. Explanation is required regarding trade & others receivables consists of 53.12%, 58.80%, 57.30% & 59% of current assets respectively 31/5/2012, 31/05/2013, 31/05/2014 & 31/05/2014; and

Our response:

We are hundred 100% export oriented shoe industry. We export our products to our buyer's 90 to 120 days letter of credit. So our sales increase as well as receivable increase. We are trying to reduce our level of trade and other receivables.

7. Reasons for delay allotment issued against share money deposit;

Our response:

We have received share money from the existing shareholders from 2011 to 2015 to expand the business. Subsequently, the share money deposit has been converted into share capital in the year 2015 after getting approval from the Bangladesh Securities and Exchange Commission.

8. Reasons for not adjusting income tax from advance income tax;

Our response:

It is mentionable here that we have submitted our tax return for tax assessment in stipulated time to the authority. We had an application in the same circle for tax holidays. Due to pending of the matter, the authority took time to complete assessment. However, the tax authority did not grant our application for tax holiday.

After completion of assessment, we adjust all relevant advance income tax and provision for income tax. Before completion of assessment advance income tax shown as current asset and provision for income tax as current liabilities in financial statements.

Sd/-

Mrs. Rokshana Rahman
Managing Director