

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

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

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

PROSPECTUS OF



Manager to the Issue



Initial Qualified Investor Offer (IQIO) of 12,000,000 Ordinary Shares

Offer Price: BDT 10.00 each

Total Size of Fund to be Raised: BDT 120,000,000

Opening date of subscription:

Closing date of subscription:

Names of the Underwriters:

Prime Bank Investment PLC.

EC Securities Limited

ISSUE DATE OF THE PROSPECTUS:

(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 and Address of the Issuer Company	Contact Person	Telephone Number, FAX Number, E-Mail, Web Address
Royal Footwear PLC. Registered & Corporate Office: 178-179, Two Star Tower (6 th Floor) East Tejuri Bazar, Farmgate, Dhaka-1215. Factory: 1/1, Tilargati, Kakil, Tongi-1711, Gazipur	Mr. Md. Anwar Hossain Company Secretary	Phone: +88-02-22224514 Fax: +88-02-8712168 E-mail: anwarcsrfl24@gmail.com Web: www.royalfootwear.com.bd
<u>Issue Manager</u>		
Prime Bank Investment PLC. Tajwar Centre (5 th Floor) House: 34, Road: 19/A, Block: E Banani, Dhaka-1213	Mr. Syed M Omar Tayub Managing Director & CEO	Phone: +88-02-48810315, +88-02-48810316 Fax: +88-02-48810314 Email: info@pbil.com.bd Web: www.pbil.com.bd
<u>Underwriter(s)</u>		
Prime Bank Investment PLC. Tajwar Centre (5 th Floor) House: 34, Road: 19/A, Block: E Banani, Dhaka-1213	Mr. Khandoker Raihan Ali FCA Chief Operating Officer	Phone: +88-02-48810315, +88-02-48810316 Fax: +88-02-48810314 Email: raihan@pbil.com.bd Web: www.pbil.com.bd
EC Securities Limited Kazi Tower (5 th Floor), 86, Naya Palton, Dhaka-1000	Mr. Fahim Ahsan Choudhury Chief Executive Officer (CC)	Phone: +88-02-4831203136 Fax: +88-02-4831203638 Email: info@ecslbd.com Web: www.ecslbd.com
<u>Auditor</u>		
Ahsan Manzur & Co. (AMC) Chartered Accountants House # 373 (2 nd floor), Road # 28, Mohakhali DOHS, Dhaka-1206	Mr. Md. Abdullah Al Amin, FCA Partner	Phone: +88 222285210 Fax: N/A Email: info@amc-bd.com Web: amc-bd.com
<u>Valuer</u>		
Masih Muhith Haque & Co. Level-13, UTC Building, 8 Panthopoth, Dhaka-1215	Mr. Muraheb Malik Chowdhury, FCA partner	Phone: +88-02-48116211 Fax: +88-02-58152329 Email: muraheb@msihmuhith.com Web: www.rsm.global/bangladesh

(ii) Declaration:

A person interested to get a prospectus may obtain from the issuer, and the issue manager(s).

(iii) “If you have any query about this document, you may consult the issuer, issue manager and underwriter.”

“এই প্রসপেক্টাসে বর্ণিত তথ্য সম্পর্কিত যে কোন জিজ্ঞাসা আপনি প্রতিষ্ঠানটির উল্লিখিত ইস্যুয়ার, ইস্যু ব্যবস্থাপক এবং অবলেখকের সাথে যোগাযোগ করে জেনে নিতে পারেন।”

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

(v) ‘Risks in relation to the First Issue’

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

(vi) ‘General Risk’

“Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before making an investment decision in this offer. For making an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. Given the emerging nature of small capital companies, there may be a higher investment risk attached to the securities being offered. The securities to be traded on the Small Capital (SME) Platform may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be an active market for trading of such securities. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of ‘risk factors’ given on page number(s) 10-11.

(vii) ‘Royal Footwear PLC’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 is true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.”

(b) AVAILABILITY OF PROSPECTUS

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

Issuer	Contact Person	Website and E-mail Address
Royal Footwear PLC. Registered & Corporate Office: 178-179, Two Star Tower (6 th Floor) East Tejturi Bazar, Farmgate, Dhaka- 1215. Factory: 1/1, Tilargati, Kakil, Tongi- 1711, Gazipur	Mr. Md. Anwar Hossain Company Secretary	Web: www.royalfootwear.com.bd E-mail: anwarcsrfl24@gmail.com
Issue Manager	Contact Person	Website and E-mail Address
Prime Bank Investment PLC. Tajwar Centre (5 th Floor) House: 34, Road: 19/A, Block: E Banani, Dhaka-1213	Mr. A K M Maruf Siddique Assistant Manager	Web: www.pbil.com.bd E-mail: maruf@pbil.com.bd
Stock Exchange	Contact Person	Website and E-mail Address
Chittagong Stock Exchange PLC. CSE Building, 1080, Sk. Mujib Road, Agrabad, Chittagong, Bangladesh	Mr. Mohammad Habib Ullah Deputy Manager	Web: www.cse.com.bd E-mail: habib.ullah@cse.com.bd

The prospectus would also be available on the website of the Bangladesh Securities and Exchange Commission (BSEC) (www.sec.gov.bd), Royal Footwear PLC (www.royalfootwear.com.bd), Prime Bank Investment PLC (www.pbil.com.bd) and at the library room of the BSEC for reading and studying upon approval.

(ii) Definitions and Acronyms or Elaborations;

TERM	ACRONYMS/ELABORATIONS
A	
AGM	: Annual General Meeting
Allotment	: Letter of Allotment of Shares
“Articles” or “Articles of Association” or “AoA”	: The Articles of Association of Royal Footwear PLC.
B	
BB	: Bangladesh Bank
BDT	: Bangladeshi Taka
BIDA	: Bangladesh Investment Development Authority
BO Account	: Beneficial Owners Account
BSEC	: Bangladesh Securities and Exchange Commission
BOD	: Board of Directors
C	
CDBL	: Central Depository Bangladesh Limited
CIB	: Credit Information Bureau
CFO	: Chief Financial Officer
Commission	: Bangladesh Securities and Exchange Commission
Company	: Royal Footwear PLC.
Companies Act	: Companies Act, 1994
Corporate Office	: Head Office of the Company
CSE	: Chittagong Stock Exchange PLC.
D	
DCT	: Deputy Commissioner of Taxes
E	
E-mail	: Electronic Mail
EPS	: Earnings Per Share
EGM	: Extraordinary General Meeting
F	
FC Account	: Foreign Currency Account
FCA	: Fellow Chartered Accountants
FDR	: Fixed Deposit Receipt
FY	: Financial Year
G	
GDP	: Gross Domestic Product
I	
Issue	: Initial Qualified Investor Offer (IQIO)
Issuer	: Royal Footwear PLC.
Issue Manager	: Prime Bank Investment PLC.
IFRS	: International Financial Reporting Standards
IAS	: International Accounting Standards
IQIO	: Initial Qualified Investor Offer
L	
L/C	: Letter of Credit
M	
MD	: Managing Director
MOA or Memorandum of Association	: The Memorandum of Association of Royal Footwear PLC.
N	
NBFI	: Non-Bank Financial Institution
NAV	: Net Asset Value
NBR	: National Board of Revenue
NOC	: No Objection Certificate
O	
Our Company	: Royal Footwear PLC.
Offer Price	: Price of the share of Royal Footwear PLC being offered
P	
PBIL	: Prime Bank Investment PLC.
P/E	: Price to Earnings Ratio

TERM	ACRONYMS/ELABORATIONS	
Q		
QIs	:	Qualified Investors
QIO	:	Qualified Investor Offer
R		
RJSC	:	Registrar of Joint Stock Companies and Firms
RFL		Royal Footwear PLC.
Rules	:	Bangladesh Securities and Exchange Commission (Qualified Investor Offer by Small Capital Companies) Rules, 2022
S		
Sponsors	:	The sponsor shareholders of Royal Footwear PLC.
Securities	:	Shares of Royal Footwear PLC
SME	:	Small & Medium Enterprise
STD A/C	:	Short-Term Deposit Account
Subscription	:	Application Money
T		
The Company	:	Royal Footwear PLC.
TIN	:	Tax Identification Number
Tk.	:	Bangladeshi Taka
U		
USD	:	United States Dollar
V		
VAT	:	The Value Added Tax
W		
WDV	:	Written Down Value
WPPF	:	Workers' Profit Participation Fund
Y		
Y-o-Y	:	Year on Year

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- (b) The prospectus may be obtained from the issuer company, issue manager, underwriter and stock exchange(s);
- (c) The address and telephone number of the company, the issue manager, the underwriters, the auditor and the stock exchange(s).

Name	Address	Contact Details
ISSUER		
Royal Footwear PLC.	Registered & Corporate Office: 178-179, Two Star Tower (6 th Floor) East Tejturi Bazar, Farmgate, Dhaka- 1215. Factory: 1/1, Tilargati, Kakil, Tongi-1711, Gazipur	Phone: +88-02-22224514 Fax: +88-02-8712168
ISSUE MANAGER		
Prime Bank Investment PLC.	Tajwar Centre (5 th Floor) House: 34, Road: 19/A, Block: E Banani, Dhaka-1213	Phone: +88-02-48810315, +88-02-48810316 Fax: +88-02-48810314
UNDERWRITER(S)		
Prime Bank Investment PLC.	Tajwar Centre (5 th Floor) House: 34, Road: 19/A, Block: E Banani, Dhaka-1213	Phone: +88-02-48810315, +88-02-48810316 Fax: +88-02-48810314
EC Securities Limited	Kazi Tower (5 th Floor), 86, Naya Palton, Dhaka-1000	Phone: +88-02-4831203136 Fax: +88-02-4831203638
AUDITOR		
Ahsan Manzur & Co. Chartered Accountants	House # 373 (2 nd floor), Lane # 28 New DOHS Mohakhali, Dhaka-1206	Phone: +88 2222285210 Fax: N/A
STOCK EXCHANGE		
Chittagong Stock Exchange PLC.	CSE Building, 1080, Sk. Mujib Road, Agrabad, Chittagong	Phone: +88-02-333314632-3, +88-02-333320871-2, +88-02-333326801-5 Fax: +88-02-333314101, +88-02-333326810

SECTION - I

RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

a) Interest rate risks:

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase interest rates. A high rate of interest may adversely affect the operating results and financial performance of the Company with additional financial charges and squeeze the profit of the company.

Management perception:

Management of Royal Footwear PLC always emphasizes managing its finances to an optimum capital structure of the company so that the cost of capital & debt remains minimal. The management always prefers to take loans with reasonable competitive rates. The company has loans on a fair scale. Hence, the company has fair exposure to interest rate risk.

b) Exchange rate risks:

Foreign exchange risk also known as FX risk of currency is a financial risk that exists when a financial transaction is denominated in a currency other than that of the base currency of the company. This risk arises when an investment's value changes due to changes in the currency exchange rate.

Management perception:

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

c) Industry risks:

Industry risk is related to the factors affecting the company. The factors are the change in supply and demand of the product, changes of laws, government policy to the sector and competitors' rivalry.

Management Perception:

Royal Footwear PLC is aware of the above fact. Industry risk is inherent in any kind of business. At the moment, the industry is favorable for operating businesses.

d) Market and technology-related risks:

Market risk is the risk that any change in the market such as demand for the product, foreign exchange rates fluctuation, prices of the product, increase of competition, a squeeze of business through the cancellation of work order, shifting of the buyer to another market will affect the company's business. The objective of market risk management is to manage and control market risk exposures within acceptable parameters. Technological advancements may render older machinery obsolete, potentially affecting The Company's overall profitability.

Management perception:

The experienced management of Royal Footwear PLC deals with market risk efficiently. The company consistently monitors technological advancements in the industry and promptly adopts them to maintain the highest possible level of operational efficiency.

e) Potential or existing government regulations:

The Company operates under the Companies Act, Taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s Rules and the Rules adopted by other regulatory bodies. Any abrupt changes in the policies formed by those bodies will impact the business of The Company adversely.

Management perception:

The economy of Bangladesh has been developing over the decades because of business-friendly Rules and Regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the industry as a whole, the business of the Company will not be affected. The government emphasizes the growth of the local industry to meet the needs. Our government is encouraging the industry with investment-friendly policy measures.

f) Potential or existing changes in global or national policies:

Changes to existing global or national policies can have positive or negative impacts on the company. Any scarcity, price hike, or global or national policy change may hamper profitability.

Management perception:

Nowadays, global and national policies do not change without prior notice. For potential changes in policies, local and global leaders consider different issues including industry opinion. We are optimistic that if any policies change unpredictably, we can improvise with new policies without hampering our smooth operation.

g) History of Non-Operation, if any:

A history of non-operation suggests poor operational management within the company. Extended non-operation may result in financial losses.

Management perception:

The company has no history of non-operation since the commencement of its commercial operations. As a manufacturer, the company takes its operations very seriously. They understand that even a single day of operational disruption can impact their supply chain and affect customer satisfaction. Therefore, they prioritize maintaining continuous operations and have never compromised on this commitment throughout their history.

h) Operational Risk

Operational risk is the possibility of suffering a financial setback due to internal procedures, personnel, and system failures or uncontrollable outside factors. Due to a lack of internal controls and compliance within the bank, operational risk can also result from mistakes and fraud.

Management Perception:

By assessing operational risks, the company consistently identifies practical remedial actions to minimize exposures and ensure effective responses. We are also mindful of the potential for financial losses, competitive disadvantages, employee or customer issues, and business failures associated with operational risks.

i) Risk Relating to Secondary Trading of Securities

The Secondary Market offers many opportunities for investing. However, secondary market exhibits a higher risk than the loans that would be seen in the Primary Market. The earnings and return expectations, the risk components of secondary market largely correspond to those of IPO. Secondary markets can have liquidity risks. The liquidity risk recedes if a sufficiently solvent issuer guarantees repayment of the invested capital at any time. Due to the short maturity, the liquidity sensitivity of these instruments is lower than that of bank deposits.

Management Perception:

The Company understands the threat of a liquidity crisis. The company is operating using an effective working capital management strategy, which is essentially focused on the liquidity issue of the company. The company is maintaining the optimum level of liquid assets to avoid any sort of risks raised which may occur during trading in the secondary market. The company is strictly controlling its inflows, outflows, and different uses of liquid funds. Therefore, the risk of the company is lowest.

SECTION - II

USE OF PROCEEDS

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

Royal Footwear PLC will raise capital from qualified investors through an Initial Qualified Investor Offer (IQIO). Details of the IQIO fund are given in the following table:

Particulars	Number of Shares	Issue Price in BDT	Total Amount in BDT
Number of Shares to be Issued Under IQIO	12,000,000	10	120,000,000

The utilization of Proceeds from the Initial Qualified Investor Offer (IQIO) is as follows:

Sl.	Particulars	Amount in BDT
1	Purchase of Raw Materials and Packing Materials	20,000,000
2	Purchase of Spare Parts	16,700,000
3	Repayment of Loan	80,000,000
4	QIO Expenses	3,300,000
Total		120,000,000

Breakdown of use of net IQIO proceeds:

1. Purchase of Raw Materials and Packing Materials:

S/L No.	Name of Materials	Total Quantity (Kgs)	Amount in BDT
1	Neoprene	1,225	388,570
2	Pu Adhesive Glue	6,625	2,101,450
3	Hardner RN	1,320	1,723,128
4	W/B Pu Adhesive	2,000	1,415,200
5	Hardner ES	200	683,200
6	Eva Primer	1,225	440,878
7	Mesh Primer	1,250	449,875
8	Pu/Pvc Primer	525	185,745
9	Cleaner	1,060	297,436
10	Lamination Glue	2,500	716,750
11	Rubber Primer	360	129,564
12	Latex	2,640	756,888
13	Hot Melt Glue	300	179,340
14	Master Ctn	20,000	3,660,000
15	Inner Box	200,000	5,368,000
16	Foam - Different Measurements, Thickness & Colors	15,410	1,503,976
Total			20,000,000

2. Purchase of Spare Parts:

SL.	Name of Parts	Name of Machine & Model	Quantity	Amount in BDT
1	Cool rubber pad Front	Back part hot & cool molding	80	1,268,800
2	Cool rubber pad Back		80	1,464,000
3	Hot rubber pad		80	722,240
4	Heel band	Heelasting m/c	60	139,080
5	Wipe plate	Heelasting machine Model: QY2B7	22	281,820
6	Toe band (big)	Toe lasting machine (Model no: EF-737B)	60	161,040
7	Toe band (Small)		60	161,040

SL.	Name of Parts	Name of Machine & Model	Quantity	Amount in BDT
8	Wiper plate	Toe lasting machine (Model no: TH-738MA)	22	281,820
9	Back part supporter		3	12,719
10	Realy		15	23,790
11	Toe pad	Wallsole machine	20	34,160
12	Heel pad		20	34,160
13	Side pad		60	36,600
14	Press block		75	45,750
15	Side pad		60	585,600
16	Side press Rubber		80	204,960
17	Paddle switch	Marking Machine	90	274,500
18	Variable vane pump (Model no: EG-PV-26)	Hydraulic Cutting machine	40	1,561,600
19	Hyd. Solinoaid bulb (Model: WE43-G03-C5-A240)		40	790,560
20	Hyd. Solinoaid bulb (Model: WE42-G03-B11B-A246)		30	592,920
21	Crane Shaft		30	951,600
22	Hydraulic Cylinder		16	663,680
23	Connecting Thread rod		100	1,159,000
24	Connecting pin		80	97,600
25	Counter meter		80	78,080
26	Gear motor with controller	Glue Roller Machine	80	1,171,200
27	Control Box with Motor	Hi post Single niddle (Zoje-ZJ9610SA-D3-H-3/01)	82	1,400,560
28	Blade 79" x 4" x 4mm (Copper)	Lamination Machine	20	370,880
29	Iron Tape		12	183,000
30	Net belt Width: 74", Length: 353"		12	497,760
31	Belt 31x632		6	23,424
32	Glue Tray		6	80,520
33	knife (3x30x600) mm HSS (every set 3 pcs)	Plank surface machine	8	7,808
34	PP SIZE: 1600*500*50MM	Cutting Board	129	1,337,730
Total				16,700,000

3. Repayment of Loan:

Name of Bank	Type of Loan	Amount in BDT
Shahjalal Islami Bank PLC.	Bai-Muazzal	50,000,000
Al-Arafah Islami Bank PLC.	Bai-Salam	4,000,000
	Bai-Muazzal	10,000,000
	HPSM (Non-Current Portion)	16,000,000
Total		80,000,000

4. Estimated IQIO Expense:

Sl.	Type of Fees	Nature of Expenditure	Amount in BDT
A.	Issue Management Fees		575,000
	Managers to the issue fees	Maximum 1% of IQIO size or BDT 500,000, whichever is lower	500,000
	VAT against Issue Management Fees	15% on issue management Fee	75,000

Sl.	Type of Fees	Nature of Expenditure	Amount in BDT
B.	Bangladesh Securities and Exchange Commission (BSEC) Fees		170,000
	Application fees	At actual	50,000
	BSEC Consent fees	0.10% of IQIO size	120,000
C.	Fees Related to Listing with the Stock Exchange		285,863
	Chittagong Stock Exchange (CSE)		
	Prospectus Scrutiny Fee	At actual	25,000
	Initial Listing Fee	Up to BDT 10 crore of paid-up capital @ 0.125% and above BDT 10 crore of paid-up capital @ 0.075% Maximum 2 Lac	200,000
	Annual Listing Fee	Up to BDT 10 crore of paid-up capital @ 0.025% and above BDT 10 crore of paid-up capital @ 0.01%	60,863
D.	Underwriting Fees		69,000
	Underwriting Commission	0.20% on 25% of IQIO amount	60,000
	VAT against Underwriting Commission	15% on the underwriting commission	9,000
E.	Professional Fees		200,000
	Auditor and Certification Fee	At Actual	200,000
F.	CDBL Fees and Expenses		236,500
	Security Deposit	At actual	200,000
	Documentation Fee	At actual	2,500
	Annual Fee	At actual	10,000
	Connection Fee	At actual (BDT 500 Per Month*12)	6,000
	New Issue (IQIO) Fee	0.00015 of Issue size	18,000
G.	Expenses Related to Printing, Publication and Others		1,777,775
	Post Issue Expenses	Estimated (To be paid at actual)	300,000
	Data Transmission Fee	Estimated (To be paid at actual)	200,000
	Publication of Prospectus	Estimated (To be paid at actual)	300,000
	Compliance-related Expenses	Estimated (To be paid at actual)	500,000
	Miscellaneous	Estimated (To be paid at actual)	433,637
Total		A+B+C+D+E+F+G	3,300,000

N.B: Actual costs may vary if the above-mentioned estimates differ and will be adjusted accordingly.

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

A schedule mentioning the stages of implementation and utilization of funds received through the Initial Qualified Investor Offer (IQIO)

SL.	Particulars	Progress made so far	Approximate date of Completion	Projected date of full commercial operation
1	Purchase of Raw Materials and Packing Materials	The process will start after receiving the IQIO fund	Within 08 months of receiving the IQIO fund	After completion of the purchase
2	Purchase of Spare Parts		Within 12 months of receiving the IQIO fund	After completion of the purchase
3	Repayment of Loan		Within 03 months of receiving the IQIO fund	N/A

SL.	Particulars	Progress made so far	Approximate date of Completion	Projected date of full commercial operation
5	IQIO Expenses	The process began with the initiation of the IQIO activities.	Immediately after receiving the IQIO fund	N/A

Sd/-
Md. Billal Hossain
 Managing Director

Sd/-
Mohammad Anichur Rahman
 Chief Financial Officer

- (c) 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 enclosed as annexure to the prospectus:

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

SECTION - III

DESCRIPTION OF BUSINESS

Description of Business:

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

Date of Incorporation	30.01.2014
Date of Commercial Operations	2015
Nature of Business	Footwear Manufacturing
Subsidiary Company	The company has no subsidiary company

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

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

Principal Products: All kinds of footwear (Except full leather)

Market of the Products:

Past Trend: Last 5 years' sales of the Royal Footwear PLC:

Particulars	December 31, 2025	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Revenue	529,129,002	922,376,006	1,123,160,579	595,353,601	743,146,733	549,663,003

Future Prospects:

The future of Bangladesh's footwear industry is bright due to rising domestic and international demand, competitive production costs, and supportive government policies. Key opportunities lie in expanding exports, adopting modern technologies, and focusing on sustainable practices. Challenges include improving quality control, ensuring compliance with international standards, and developing a skilled workforce. With strategic market diversification and investment in innovation, the industry is well-positioned for significant growth.

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

The Company has only one product i.e. footwear

Particulars	December 31, 2025	Percentage
Revenue	529,129,002	100

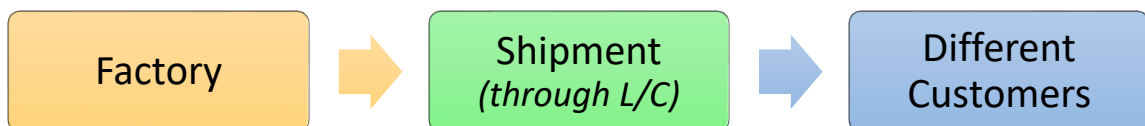
- (iii) Names of associates, subsidiary/related holding company and their core areas of business;

The company does not have any associates, subsidiary/related holding company.

- (iv) How the products or services are distributed;

Upon receiving orders from its customers, the company manufactures the products and delivers them to various destinations according to the customers' specifications. As the company is 100% export-oriented, it conducts the majority of its sales through letters of credit (L/C) and sales contracts.

The company's product distribution systems are depicted below:



(v) Competitive conditions in the business;

The Bangladesh footwear industry exhibits a dynamic landscape shaped by fierce competition, evolving consumer preferences, and a drive toward global market penetration. Currently, the industry is dominated by established players like Bata, a multinational company with a long-standing presence in Bangladesh since 1962, and Apex Footwear, a leading domestic manufacturer that controls 15% of the country's leather footwear exports. Bata's extensive retail network, comprising 226 outlets nationwide, and Apex Footwear's strong export orientation highlights the diverse competitive strategies employed within the industry. The presence of international brands like Lotto, which entered the Bangladesh market in 2012, further intensifies competition and exposes local companies to global best practices and trends.

This competitive environment compels businesses to adopt diverse strategies to thrive. Companies are increasingly investing in technological advancements, such as CAD and CAM systems, and automated cutting and assembly machines, to enhance production efficiency and product quality. This focus on technological upgrades is crucial for meeting the demands of discerning consumers in both domestic and international markets. Furthermore, industry players are actively seeking global certifications like the Leather Working Group (LWG) certification to enhance their credibility and gain a competitive edge in the global market. Despite facing challenges such as limited access to finance, inadequate infrastructure, and a shortage of skilled labor, the Bangladesh footwear industry is poised for continued growth, fueled by increasing domestic demand, government support, and a strategic focus on quality, innovation, and global market expansion. The industry is actively addressing environmental sustainability concerns by investing in eco-friendly plants and effluent treatment plants (ETPs) to mitigate the environmental impact of leather processing. These initiatives aim to enhance the industry's environmental performance and comply with international standards, further strengthening its competitive position.

The Company operates in a competitive business. The major competitors are as follows:

SL.	Name of the Competitor
1	Apex Footwear Limited
2	Bata Shoe Company (Bangladesh) Limited
3	Bay Emporium Limited
4	Lotto BD Limited
5	Jenny's Shoes Limited
6	Craftsman Footwear and Accessories Limited
7	MK Footwear PLC.

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

The names of the suppliers are mentioned below:

SL.	Supplier Name	Address	Raw Material Name
1	Jingshen International	Flat/Rm 2201 22/F Lucky Commercial Centre, 103-109 Des Voeux Road, West, Hong Kong	PU diff. types, Mesh diff. types, Non-Woven diff. types, etc.
2	Jinjiang City Sanbaju	234-1 QiGuang East Road, HanDai Village, ChenDai Town, JinJiang City, Fujian Province, China	PU diff. types, Synthetic Upper, Mesh diff. types, ETC
3	Resource Foam	Karnaphuli Export Processing Zone (KEPZ), North Patenga, Chattogram, Bangladesh.	PU Foam
4	Xiamen Hongjinglong	"10f., -E Changan Bldg., No75-77 Lvling Rd.,	Pu Diff Types, Mesh Diff. Types, Eva Sheet Diff. Types, ETC
5	Sinobest Industry	High-Tech Industrial Park, Shunde, Foshan, Guangdong, China	Adhesive, Primer, Hardener, Cleaner

SL.	Supplier Name	Address	Raw Material Name
6	Superfit Uk Int.	Room No# 1212, E Building, Wanda Business Center, FuYuan Street No.129. JianYe district, Nanjing, China.	PU diff. types, Synthetic Upper, Mesh diff. types, ETC
7	Bloom Success Int.	Room 2105, Trend Centre, 29-31 Cheung Lee Street, Chai Wan, Hong Kong.	Adhesive, Primer, Hardener, Cleaner

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

Utilities	Requirement	Source
Electricity	800 KVA	The company has a connection of 1,000 KVA from DESCO Tongi West
Gas	N/A	N/A
Water	73,000 liters/month	The company draws water using a submersible pump through its own arrangement.

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

The buyer list is as follows:

Sl.	Buyer name	Address	Amount	Percentage
1	LPP S.A.	Ul. Lakowa,39/44,80-769, Gdansk, Poland.	7,796,649	1.48%
2	ZXY International	1306, Building FZCO, Jebel Ali Free Zone, Dubai, U.A.E.	9,822,882	1.86%
3	Deichman	Deichmannweg,9, ESSEN, 45359, Germany.	86,833,377	16.45%
4	Bolly / Pointer Investment (HK) Ltd.	Room 3202, Shun Tak Centre, 200 Connaught Road, Central Sheung Wan, Hong Kong.	423,397,718	80.21%
Total			527,850,626	100%

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

The Company has no such contract with any supplier or customer.

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

The Company does not have any material patents, licenses or royalty agreements. It has several regulatory licenses and certificates to continue its operation as follows:

Sl.	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
1	Certificate of Incorporation	Registrar of Joint Stock Companies & Firms, Bangladesh (RJSC)	C-113811/14	N/A
2	Trade License	Gazipur City Corporation	137/86	30.06.2026
3	TIN Certificate	National Board of Revenue, Taxes Circle-112 (Company), Taxes zone 06, Dhaka	759425570733	N/A

Sl.	Description of Certificate/License/Registration	License Issuer/Issuing Authority	Certificate/Licenses No.	Validity
4	BIN Certificate	National Board of Revenue, Dhaka (West) Savar Division	001200258-0102	N/A
5	Import Registration Certificate	Office of the Chief Controller of Import and Export	260326120279220	30.06.2026
6	Export Registration Certificate	Office of the Chief Controller of Import and Export	260326210435120	30.06.2026
7	Factory License	Department of Inspection for Factories and Establishments, Gazipur	33-20-1-040-00007	01.08.2026
8	Fire License	Fire Service & Civil Defense, Tongi	AD/Dhaka/28425/14	30.06.2026
9	Environment Certificate	Directorate of Environment, Gazipur	23-110645	10.01.2026
10	Membership Certificate	Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh	123	30.06.2026

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

The Company currently employs a total of 876 personnel, including employees in the corporate office, factory offices, and workers. All employees are engaged on a full-time basis, with no temporary employees.

(xii) Production or service rendering capacity and current utilization, where applicable.

Capacity or Facility Creation (Per Annum)				
Types of Machine	Unit	Installed Capacity Yearly	Actual Production as of December 31, 2025	Percentage of Capacity Utilization
Cementing Machine	Pair	2,059,200	1,469,445	71.36%
Injection (DIP) Machine	Pair	2,184,000	615,888	28.20%

SECTION - IV

DESCRIPTION OF PROPERTY

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

The entire above-mentioned assets are located at rented registered & corporate office: 178-179, Two Star Tower (6th Floor) East Tejturi Bazar, Farmgate, Dhaka- 1215 and factory: House No-1/1, Tillar Gati, Kakil Sataish, Sataish, Tongi, Gazipur. The plant & machinery were purchased in brand-new condition. All the assets are in good condition and all the machinery is working in good condition.

The details of the location and area of the land are given in the following table:

Particulars	Location & Area	Condition of the Property
Land	335.46 decimal land (129.11 decimal land in Tongi, Gazipur and 206.35 decimal land in Ashulia, Dhaka)	Good condition
Factory building	Factory premises	Good condition
Machinery	Factory premises	Working in good condition
Generator	Factory premises	Working in good condition

Details of Factory Buildings:

7 Storied Building

Floor	Area (sft)
Foundation	16,500
Ground	16,500
1st	16,500
2nd	16,500
3rd	16,500
4th	16,500
5th	16,500
6th	8,250
Total	123,750

5 Storied Building

Floor	Area (sft)
Foundation	2064.63
Ground	2064.63
1st	2064.63
2nd	2064.63
3rd	2064.63
4th	2064.63
Total	12387.78

3 Storied Building

Floor	Area (sft)
Foundation	4,205
Ground	4,205
1st	4,205
2nd	4,205
Total	16,820

Grant Total 152,957.78

List of Machineries:

Sl. No.	Name of Supplier	Country of Origin	Item	Location
1	Gotech Testing Machines Inc	Taiwan	Capital Machinery	4 th floor (Lab)
3	Electtotecnica B.C.	Italy	Sole Attaching Machine	1 st floor
4	Tien Kang CO Ltd	Taiwan	PVC Direct Injection Soling	Ground floor
5	Ample Max Inc. Masoncomplex suites	Vietnam	Mould	Ground floor
6	Chin Chen Fun Vietnam Mulds CO Ltd	Vietnam	Mould	Ground floor
7	Asia Thai Mould CO Ltd	New Taiwan	DIP PVC Injection Mold	Ground floor
8	Asia Thai Mould CO Ltd	New Taiwan	DIP PVC Injection Mold	Ground floor
9	Asia Thai Mould CO Ltd	New Taiwan	DIP PVC Injection Mold	Ground floor
10	Asia Thai Mould CO Ltd	Thailand	DIP PVC Injection Mold	Ground floor

Sl. No.	Name of Supplier	Country of Origin	Item	Location
11	Chee Siang Sewing Machine (Hongkong) CO Ltd	China	Golden Wheel Brand	2 nd floor, 4 th floor
12	Asia Thai Mould CO Ltd	Thailand	DIP PVC Injection Mold	Ground floor
13	Asia Thai Mould CO Ltd	Thailand	DIP PVC Injection Mold	Ground floor
14	Asia Thai Mould CO Ltd	Thailand	DIP PVC Injection Mold	Ground floor
15	Wenzhou Starlink IMP &EXP Trading CO Ltd	China	Automatic rotary dip shoe moulding, back part moulding mc, screw type air compressor,	Ground floor
16	Chin Chen Fun Vietnam Mulds CO Ltd	Vietnam	Mould	Ground floor
17	Insoco S L P I Pladela Vallonga	Spain	Shoes Chemicals (Materials)	5 th floor shed
18	Asia Thai Mould CO Ltd	Thailand	DIP PVC Injection Mold	Ground floor
19	Asia Thai Mould CO Ltd	Thailand	Chiller Mold	1 st floor
20	Wenzhou Starlink IMP &EXP Trading CO Ltd	China	hydraulic plane cutting mc, hydraulic sewing cutting mc, high speed electric punch mc, crushing mc, heat oil type drying mixture mc, floating lining mc, trimming mc, upper pounded mc, hydraulic fast periphery mc, high frequency mc, dehumidifier, metal detector	Ground floor, 1 st floor (printing section), 3 rd floor & store room
21	Wenzhou Starlink IMP &EXP Trading CO Ltd	China	hydraulic plane cutting mc, hydraulic sewing cutting mc, high speed electric punch mc, crushing mc, heat oil type drying mixture mc, floating lining mc, trimming mc, upper pounded mc, hydraulic fast periphery mc, high frequency mc, dehumidifier, metal detector	Ground floor, 1 st floor (printing section), 3 rd floor & store room
22	Kukdong Machinery CO Ltd	Korea	Back Count molding Machine (4 Head)	1 st floor
22	Chee Siang CO Ltd	Taiwan	post bed mc, skiving mc, binder mc, zigzag binder mc, Out sole stitching mc, automatic shankboard skiving mc, stitching sewing machine, forklift, high frequency mc, zigzag mc, glue posting mc, glue pray mc, puff iron press mc, automatic trimming flat bed sewing mc, eyelet hole mc.	Ground floor (printing), 1 st floor, 4 th floor, 2 nd floor, 3 rd floor
23	Wenzhou Yilian Industrial CO Ltd	China	Automatic Outsole Injection	Ground floor
24	Wenzhou Sogu Technology CO Ltd	China	Molding Machine	1 st floor
25	Asia Thai Mould CO Ltd	Thailand	Dip PVC Injection Mold, Mold Handle	Ground floor
26	Wenzhou Bright Star Distribution Limited	China	Conveyor Machine	1 st floor
27	Nanjing Superfit I And E CO Ltd	China	Stitching Machine with Standard Accessories	2 nd floor, 4 th floor

Sl. No.	Name of Supplier	Country of Origin	Item	Location
28	Superfit (UK)International Trade CO Ltd	China	Cutting Machine	Ground floor (Cutting section)
29	Nanjing Superfit I And E CO Ltd	China	Production Lasting Machine, Assembly Line, Toe Lasting Machine, Heel Lasting Machine, Wall Sole Machine	Ground floor
30	Nanjing Superfit I And E CO Ltd	China	Production Lasting Machine, Assembly Line, Toe Lasting Machine, Heel Lasting Machine, Wall Sole Machine	1 st floor
31	Nanjing Superfit I And E CO Ltd	China	Production Lasting Machine, Assembly Line, Toe Lasting Machine, Heel Lasting Machine, Wall Sole Machine	1 st floor
32	Nanjing Superfit I And E CO Ltd	China	650 KVA Diesel Generator	Ground floor
33	Superfit (UK)International Trade CO Ltd	China	skiving mc, binder mc, binder with zigzag mc, auto edge folding mc, trimming mc, out sole cannal stitch mc, automatic shankboard skiving mc, stitching mc, forklift, high frequency mc, zigzag mc,	1 st floor, 4 th floor, 2 nd floor, ground floor, 3 rd floor
34	Superfit (UK)International Trade CO Ltd	China	flat bed single needle servo motor, high post single needle servo motor, high post double needle servo motor, automatic trimming single needle servo motor,	2 nd floor
35	Superfit (UK)International Trade CO Ltd	China	Double cutter boot upper forming mc, upper molding mc, belt using mc, upper edge folding mc, insole trimming mc, heel beveling mc, insole edge binding mc, planner type vacuum heat humid setting mc, skiving machine, hammering mc.	ground floor, 1 st floor, 2 nd floor,
36	Superfit (UK)International Trade CO Ltd	China	Laser engraving, cutting, Fusing Needle, delasting, roughing	3 rd floor (cutting), 2 nd floor, 4 th floor, ground floor
37	Superfit (UK)International Trade CO Ltd	China	Punch, Auto Eylet, Hammering, Hot Air, Cement Conveyer, Packing Conveyer etc.	Ground floor
38	Superfit (UK)International Trade CO Ltd	China	Cooling, Skeving, Heel Lasting, Side Press and UV woven accessories	4 th floor, ground
39	Superfit (UK)International Trade CO Ltd	China	Hot, Cool and Toe lating Accessories	Store room

Sl. No.	Name of Supplier	Country of Origin	Item	Location
40	Superfit (UK)International Trade CO Ltd	China	Capital Machinery for the Footwear Industry, Fabric quality inspection and control machine with standard accessories, Lamination Machine for Layer Macking, LAB Equipment for PPE Testing, Machine, Sewing Machine (Auto), Seam Sealing Machine, Ironing Machine (Hand)	2 nd floor, 3 rd floor, 4 th floor (Lab)
41	Superfit (UK)International Trade CO Ltd	China	Capital Machinery, Cutting Machine, Sewing Machine (Auto), Seam Sealing Machine. Ironing machine	2 nd floor, 4 th floor (Cutting unit)
42	Noor Trade Corporation	BD	Toe Tasting Machine, Back part molding Machine, Vamp Machine, Heel Lasting Machine, Cementing Conveyor Line, Single needle High post Sewing Machine, Double Needle High Post Sewing Machine, Wall Sole press Machine	Ground floor, 1 st floor
43	Noor Trade Corporation	BD	Toe Tasting Machine, Back part molding Machine, Vamp Machine, Heel Lasting Machine, Cementing Conveyor Line, Single needle High post Sewing Machine, Double Needle High Post Sewing Machine, Wall Sole press Machine	Ground floor, 1 st floor
44	Kukdong Machinery Co. Ltd	Korea	Stream Sterilizer	3 rd floor
45	Noor Trade Corporation	BD	ETO Machine	3 rd floor

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

All the assets are owned by the company.

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

114.38 decimals of land, including a 7-storied factory building and an adjacent 5-storied building situated at Tongi, Gazipur, and 118.35 decimals of land located at Ashulia, Dhaka, totaling 232.73 decimals, are mortgaged to Shahjalal Islami Bank PLC against loan facilities.

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

No Property is taken on lease by the Company.

SECTION - V

PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

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

- Projected financial statements up to the year of commercial operation certified by the auditor of the issuer; and
- Any expected significant changes in the number of employees.

Royal Footwear PLC started its commercial operation in 2014. Hence, such information does not apply to the company.

- (b) 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 three years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:

Revenue and results from operations:

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023
Revenue	529,129,002	922,376,006	1,123,160,579	595,353,601
Less: Cost of goods sold	452,216,484	804,824,141	967,865,070	510,571,831
Gross Profit/Loss	76,912,518	117,551,865	155,295,509	84,781,770
Less: Administrative Expense, Selling and Distribution Expense	19,107,942	32,388,422	40,480,510	43,494,580
Profit from Operations	57,804,576	85,163,443	114,814,999	41,287,190
Less: Other Expense	-	366,278	5,922,000	-
Add: Other Income	1,218,000	33,628,600	11,754,000	8,672,000
Less: Finance Cost	23,726,375	47,507,038	33,326,828	18,088,619
Net Profit / (Loss) before WPPF	35,296,200	70,918,727	87,320,171	31,870,571
Less: Workers Profit Participation Funds	1,680,771	3,377,082	4,158,103	-
Net Profit / (Loss) before Tax	33,615,429	67,541,645	83,162,068	31,870,571
Less: Income Tax Expense	5,315,082	12,909,371	12,700,889	6,123,000
Add/Less: Deferred Tax (Income)/Expenses	531,940	696,310	3,404,017	2,157,308
Net Profit/(Loss) after Taxation	27,768,406	53,935,964	67,057,162	23,590,263
Other Comprehensive Income				
Revaluation reserve during the year	248,789	(1,847,981)	473,550,314	-
Total Comprehensive Income	28,017,195	55,783,945	540,607,476	23,590,263
Earnings Per Share (EPS)	0.82	1.59	2.34*	0.89

*Diluted EPS and the company has subdivided the face value of its shares from Tk. 100 to Tk. 10 following a decision made at its Board Meeting held on June 23, 2024

Statement of financial position:

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023
Non- Current Assets				
Property, Plant and Equipment	793,500,384	808,738,021	842,674,736	350,225,593
Preliminary Expenses	-	-	-	-
	793,500,384	808,738,021	842,674,736	350,225,593
Current Assets				
Inventories	509,150,991	615,486,118	454,443,351	234,992,761
Deferred Tax Asset	-	-	-	-
Bills Receivable	53,461,619	47,225,843	100,318,050	135,227,494
Advance, Deposits & Pre-Payment	65,173,750	76,421,164	12,700,889	27,620,288
Unallocated Revenue Expenditure	-	-	-	-
Cash & Cash Equivalents	202,514,192	195,411,033	102,897,668	60,373,470
	830,300,553	934,544,158	670,359,958	458,214,013
Total Asset	1,623,800,937	1,743,282,179	1,513,034,694	808,439,606
Shareholders' Equity & Liabilities				
Equity Attributable to the owners of the Company				
Share Capital	338,626,200	338,626,200	338,626,200	232,049,900
Retained Earnings	195,847,002	166,005,349	107,704,659	72,974,229
Revaluation Reserve	398,213,555	400,038,011	402,554,756	-
	932,686,757	904,669,560	848,885,615	305,024,129
Non-Currents Liabilities				
Long Term Loan-Non-Current Portion	31,337,645	30,546,639	51,807,500	9,821,148
Capital Bill Borrowing	-	-	-	77,030,000
Deferred Income	24,289,138	25,567,514	28,408,349	27,710,534
Deferred Tax Liabilities	74,949,950	74,666,799	75,818,469	-
	130,576,733	130,780,952	156,034,319	114,561,682
Current Liabilities				
Short-Term Bank Loans	516,302,420	647,764,525	439,040,905	355,073,465
Long-term Loan- Current Portion	9,788,869	16,819,954	4,202,606	5,973,467
Deferred Tax Liabilities	-	-	-	2,898,463
Accounts Payable	2,799,719	6,155,200	9,312,001	5,130,500
Liabilities for Expenses	26,331,357	24,182,617	42,858,359	13,654,900
Provision for Income Tax	5,315,082	12,909,371	12,700,889	6,123,000
	560,537,447	707,831,667	508,114,760	388,853,795
Total Liabilities	691,114,180	838,612,619	664,149,079	503,415,477
Total Shareholders' Equity & Liabilities	1,623,800,937	1,743,282,179	1,513,034,694	808,439,606
Net Asset Value Per Share (NAVPS) with revaluation	27.54	26.72	25.07	13.14
Net Asset Value Per Share (NAVPS) without revaluation	15.78	14.90	13.18	13.14

Statement of cash flows:

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023
A. Cash Flow from Operating Activities				
Cash receipts from customers and others	522,832,849	999,738,955	1,169,824,023	534,252,060
Cash paid to suppliers and others	(465,131,409)	(847,157,248)	(1,146,152,162)	(656,486,634)
Tax Expense	(5,315,082)	(12,909,371)	(12,700,889)	(6,123,000)
Net Cash Flow from Operating Activities	52,386,358	139,672,336	10,970,971	(128,357,574)
B. Cash Flow from Investing Activities				
Acquisitions of Property, Plant and Equipment	-	-	(49,120,876)	(65,752,891)
	-			
Net cash flows from/ Used in Investing Activities	-	-	(49,120,876)	(65,752,891)
C. Cash Flow from Financing Activities				
Proceed from share issue	-	-	72,770,000	4,549,900
Director loan paid	-	-	-	-
capital bill borrowing	-	-	(82,952,000)	77,030,000
Increase/ (Decrease) of Long-Term Loan	791,006	(21,260,861)	41,986,352	7,249,693
Increase/ (Decrease) of Long Term (Current Portion)	(7,031,085)	12,617,348	(1,770,861)	1,481,389
Increase/ (Decrease) of Short-Term Loan	(15,316,746)	9,357,858	83,967,440	13,449,953
Finance cost paid	(23,726,375)	(47,873,316)	(33,326,828)	(18,088,619)
Net Cash Flow from Financing Activities	(45,283,199)	(47,158,971)	80,674,103	85,672,316
D. Increase/ Decrease in Cash and cash equivalents (A+B+C)	7,103,159	92,513,365	42,524,198	(108,438,149)
E. Cash and cash equivalents from JBM during the year	-	-	-	-
F. Cash and cash equivalents at the beginning of the year	195,411,033	102,897,668	60,373,470	168,811,618
G. Cash and cash equivalents at the end of the year (D+E+F)	202,514,192	195,411,033	102,897,668	60,373,469
Net operating Cash Flow Per share (NOCFPS)	1.55	4.12	0.38	(4.83)*

Note: *Diluted NOCFPS, and the company has subdivided the face value of its shares from Tk. 100 to Tk. 10 following a decision made at its Board Meeting held on June 23, 2024

(i) Internal and external sources of cash:

Particulars	Amount in BDT			
	December 31, 2025	June 30, 2025	30 June 2024	30 June 2023
Internal Sources of Cash				
Share Capital	338,626,200	338,626,200	338,626,200	232,049,900
Retained Earnings	195,847,002	166,005,349	107,704,659	72,974,229
Sub-Total	534,473,202	504,631,549	446,330,859	305,024,129
External Sources of Cash				
Long-term Loan	31,337,645	30,546,639	51807500	9821148
Short Term Loans	516,302,420	647,764,525	439,040,905	355,073,465
Long-term Current Portion	9,788,869	16,819,954	4,202,606	5,973,467
Sub-Total	557,428,934	695,131,118	495,051,011	370,868,080
Grand Total	1,091,902,136	1,199,762,667	941,381,870	675,892,209

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

The Company has not yet made any material commitment for capital expenditure except for those that are mentioned in Section II under the head ‘Use of Proceeds’ from the IQIO fund.

(iii) 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 operating expenses and net income have continued to change due to increasing business volume and capacity utilization.

Particulars	Amount in BDT			
	December 31, 2025	June 30, 2025	30 June, 2024	30 June, 2023
Sales Revenue	529,129,002	922,376,006	1,123,160,579	595,353,601
Cost of Goods Sold	452,216,484	804,824,141	967,865,070	510,571,831
Operating Expenses	19,107,942	32,388,422	40,480,510	43,494,580
Net Profit/ (Loss) after Income Tax	33,615,429	53,935,964	67,057,162	23,590,264

Causes for material changes from period to period:

Sales Revenue:

- 30 June 2023: Sales revenue decreased by 19.89% from 2022 to 2023 due to a slowdown in market demand.
- 30 June 2024: Sales revenue surged by 88.64% from 2023 to 2024, following the company’s sales increased because of the consistency of full-face business operation and growth.
- June 30, 2025: Sales revenue decreased by 17.88% compared to June 30, 2024, indicating a gradual slowdown in demand following the post-expansion peak in 2024.
- December 31, 2025: Sales revenue increased by 14.73% (annualized) compared to June 30, 2025, reflecting a recovery in market demand and higher business volume driven by improved capacity utilization.

Cost of Goods Sold:

- 30 June 2023: The cost of goods sold decreased by 19.67% from 2022 to 2023, mainly because of reduced production levels due to lower demand and operational efficiency improvements.
- 30 June 2024: The cost of goods sold increased by 89.53% from 2023 to 2024, reflecting the substantial rise in production needed to support the sharp increase in sales volume.
- June 30, 2025: The cost of goods sold decreased by 16.85% compared to June 30, 2024, mainly

because of reduced production levels in line with lower demand along with continued operational efficiency improvements.

- December 31, 2025: The cost of goods sold increased by 12.38% on an annualized basis (annualized) compared to June 30, 2025, reflecting the rise in production levels required to meet the recovered sales volume.

Operating Expenses:

The company has consistently incurred administrative and selling distribution expenses over the last several years, which are directly linked to its production and sales activities.

- 30 June 2023 to 30 June 2024: Operating expenses show variability with slight reductions in recent years. In 2024, operating expenses slightly decreased compared to previous years, despite significant growth in revenue, suggesting improved efficiency in cost management.
- June 30, 2025: Operating expenses decreased by 19.99% compared to June 30, 2024, indicating sustained cost management efficiency even amid the revenue slowdown.
- December 31, 2025: Operating expenses increased by 17.99% (annualized) compared to June 30, 2025, primarily due to higher administrative and selling & distribution activities.

Net Profit / (Loss) after Income Tax:

- 30 June 2023: Net profit increased by 95.09% from 2022 to 2023, despite the drop-in sales revenue. This was due to improved operational efficiency and a larger reduction in costs.
- 30 June 2024: Net profit surged by 184.20% from 2023 to 2024, attributed to the sharp increase in sales revenue outpacing the rise in costs, especially due to the expansion of the company's geographical footprint and improved product lines.
- June 30, 2025: Net profit decreased by 19.57% compared to June 30, 2024, mainly due to the decline in sales revenue, although reductions in cost of goods sold and operating expenses partially mitigated the impact.
- December 31, 2025: Net profit increased by 24.65% (annualized) compared to June 30, 2025, driven by the growth in sales revenue outpacing the corresponding rise in costs, supported by ongoing operational efficiencies and higher capacity utilization.

(iv) Any seasonal aspects of the issuer's business:

The company's business is not seasonal.

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

There are no such known trends, events or uncertainties that may have a material effect on the issuer's future business except natural disasters and political unrest.

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

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

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

There are no such loans taken from or given to the holding/parent company or subsidiary company,

(viii) 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 does not have any contractual liabilities which would be exercised within next one year. Moreover, the company does not have any intention of entering into any contract for increasing its liabilities within the next year.

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

A detail of future capital expenditure for the upcoming years is given in the “use of proceeds” section of this prospectus.

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

Value Added Tax (VAT): The Company has VAT registration number 001200258-0102. Royal Footwear PLC is a 100% export-oriented company; thus, it has no VAT obligation.

Income Tax: Royal Footwear PLC has its e-TIN No. 759425570733 and regularly pays income taxes. The following is the summary of the income taxes of the company:

Accounting Year	Assessment Year	Assessment Status
2024-2025	2025-2026	Self-assessment has been completed
2023-2024	2024-2025	Self-assessment has been completed
2022-2023	2023-2024	Self-assessment has been completed
2021-2022	2022-2023	Self-assessment has been completed
2020-2021	2021-2022	Assessment under Audit

Customs Duty:

There is no customs duty liability of the Company as of December 31 2025.

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

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

There is no operating lease.

(xii) 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 affected;

The Company’s financial commitments and lease obligations over the last five years are as follows:

Financial Commitment (Long-term):

Name of Institutions	Type of Loan	Total Amount Sanctioned	Outstanding Balance as of December 31, 2025
Al-Arafah Islami Bank PLC.	HPSM (Non-Current Portion)	58,500,000	31,337,645
	HPSM (Current Portion)	-	9,788,869
Total			41,126,514

Financial commitment (Short-term):

Name of Institutions	Type of Loan	Outstanding Balance as of December 31, 2025
Shahjalal Islami Bank PLC.	EDF	228,122,293
	Bai-Salam	5,120,796
	Bai-Muazzal	51,889,290
	Wages	19,350,000
Al-Arafah Islami Bank PLC.	EDF	194,755,055
	Bai-Salam	4,111,500
	Bai-Muazzal	11,498,486
	Quard	1,455,000
Total		516,302,420

Operating Lease:

There is no operating lease.

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

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

Festival Bonus	:	The Company pays two festival bonuses @ 50% of the gross salary
Yearly Increment/Promotions	:	Employees are awarded a minimum increment of at least 05-20% of their salary and promotion for extraordinary performances.
Contribution to Workers' Profit Participation and Welfare Funds Profit	:	The company makes a regular allocation of 5% on net profit after charging such contribution but before tax to this fund as per the provision of the Bangladesh Labor Law, 2006. The company will transfer the fund to the trustee board and the trustee of the fund will make the decision of disbursement and investment within the stipulated time.
Group Insurance	:	Only for workers

(xiv) Breakdown of all expenses connected with the IQIO, showing specifically:

(i) fee of issue manager; and

(ii) fee of underwriters;

Sl.	Type of Fees	Nature of Expenditure	Amount in BDT
A.	Issue Management Fees		575,000
	Managers to the issue fees	Maximum 1% of IQIO size or BDT 500,000, whichever is lower	500,000
	VAT against Issue Management Fees	15% on issue management Fee	75,000
B.	Bangladesh Securities and Exchange Commission (BSEC) Fees		170,000
	Application fees	At actual	50,000
	BSEC Consent fees	0.10% of IQIO size	120,000
C.	Fees Related to Listing with the Stock Exchange		285,863
	Chittagong Stock Exchange (CSE)		

Sl.	Type of Fees	Nature of Expenditure	Amount in BDT
	Prospectus Scrutiny fee	At actual	25,000
	Initial Listing Fee	Up to BDT 10 crore of paid-up capital @ 0.125% and above BDT 10 crore of paid-up capital @ 0.075% Maximum 2 Lac	200,000
	Annual Listing Fee	Up to BDT 10 crore of paid-up capital @ 0.025% and above BDT 10 crore of paid-up capital @ 0.01%	60,863
D.	Underwriting Fees		69,000
	Underwriting Commission	0.20% on 25% of IQIO amount	60,000
	VAT against Underwriting Commission	15% on the underwriting commission	9,000
E.	Professional Fees		200,000
	Auditor and Certification Fee	At Actual	200,000
F.	CDBL Fees and Expenses		236,500
	Security Deposit	At actual	200,000
	Documentation Fee	At actual	2,500
	Annual Fee	At actual	10,000
	Connection Fee	At actual (BDT 500 Per Month*12)	6,000
	New Issue (IQIO) Fee	0.00015 of Issue size	18,000
G.	Expenses Related to Printing, Publication and Others		1,777,775
	Post Issue Expenses	Estimated (To be paid at actual)	300,000
	Data Transmission Fee	Estimated (To be paid at actual)	200,000
	Publication of Prospectus	Estimated (To be paid at actual)	300,000
	Compliance-related Expenses	Estimated (To be paid at actual)	500,000
	Miscellaneous	Estimated (To be paid at actual)	433,637
	Total	A+B+C+D+E+F+G	3,300,000

N.B: Actual costs may vary if the above-mentioned estimates differ and will be adjusted accordingly.

- (xv) 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 issuer revalued its asset on 18th May 2024. Brief details of the valuation are as follows:

Name of the valuer	Qualification of the valuer	Experiences
Masih Muhith Haque & Co. Chartered Accountants	Chartered Accountants, Asset Appraisers and Consultants	Masih Muhith Haque & Co. Chartered Accountants has more than 30 years of enriched experience

Reason for revaluation:

The purpose of the valuation is to determine the fair value of the land and buildings owned by the Company impact of which will be incorporated in the financial statements of the Company.

Summary of the Valuation				
Present Value of the Land and Building (18 th May 2024)				
Schedule- A	Address: House No-1/1, Tilarghati, Kakil Sataish, Sataish, Tongi, Gazipur	Land	BDT	277,442,000
		Building	BDT	262,286,902
Subtotal			BDT	539,728,902
Schedule- B	Address: Ashulia,S.R.O- Asulia, Dist-Dhaka. J.L No: C.S-610, S.A-125, R.S-123	Land	BDT	144,445,000
Subtotal			BDT	144,445,000
Grand Total			BDT	684,173,902

Valuation of Land (Schedule- A)							
SL No	Acquisition Date	Deed No.	Area Deci mal	Cost Value	Written Down Value (BDT)	Revalued Amount (BDT)	Basis of Valuation
1	17/08/06	3299	86	2,000,000	2,000,000	247,742,000	Market Approach Following International Valuation Standard-400: Real Property Interest and BSEC Notification No: Sec/CMRRCD/2009-193/150/Admin, Dated: August 18, 2013
2	04-07-11	7519	8	1,650,000	1,650,000		
3	20/12/2016	17732	11.88	5,000,000	5,000,000		
4	07-09-18	9541	6.73	3,300,000	3,300,000		
5	29/05/2017	8534	16.50	3,000,000	3,000,000	29,700,000	
Total				14,950,000	14,950,000	277,442,000	
Land Development Cost				5,430,784	5,430,784	-	
Grand Total				20,380,784	20,380,784	277,442,000	

7 Storied JBM Knitwear Office Building (Schedule- A)						
SL No.	Floor	Construct ion Year	*Cost Value as per Books of Accounts (BDT)	Written down value (BDT) as of February 29, 2024	Revalued Amount (BDT)	Basis of Valuation
1	Share Foundation Cost on existing floors	2006	13,200,560	11,872,487.41	25,575,000	Cost Approach Following International Valuation Standard-400: Real Property Interest and BSEC Notification No: Sec/CMRRCD/2009-193/150/Admin, Dated: August 18, 2013
2	Ground	2006	22,192,500	19,959,772.68	28,132,500	
3	1 st	2006	22,192,500	19,959,772.68	28,132,500	
4	2 nd	2006	22,192,500	19,959,772.68	28,132,500	
5	3 rd	2006	22,192,500	19,959,772.68	28,132,500	
6	4 th	2006	22,192,500	19,959,772.68	28,132,500	
7	5 th	2006	22,192,500	19,959,772.68	28,132,500	
8	6 th	2006	3,135,000	2,819,596	14,066,250	
Total			149,490,560	134,450,719.63	208,436,250	

5 Storied JBM Knitwear Office Building (Schedule- A)						
SL No	Floor	Construction Year	*Cost Value as per Books of Accounts (BDT)	Written down value (BDT) as of February 29, 2024	Revalued Amount (BDT)	Basis of Valuation
1	Foundation	2008	1,651,200	1,484,801	3,303,408	Cost Approach Following International Valuation Standard-400: Real Property Interest and BSEC Notification No: Sec/CMRRCD/2009-193/150/Admin, Dated: August 18, 2013
2	Ground	2008	2,776,080	2,496,322	3,633,749	
3	1 st	2008	2,776,080	2,496,322	3,633,749	
4	2 nd	2008	2,776,080	2,496,322	3,633,749	
5	3 rd	2008	2,776,080	2,496,322	3,633,749	
6	4 th	2008	2,776,080	2,496,322	3,633,749	
Total			15,531,600	13,966,409	21,472,152	

3 Storied under construction building out of 7 storied Building (Schedule- A)						
SL No.	Floor	Construction Year	*Cost Value as per Books of Accounts (BDT)	Written down value (BDT) as of February 29, 2024	Revalued Amount (BDT)	Basis of Valuation
1	Foundation	2021	4,462,506	3,795,835.49	8,094,625	Cost Approach Following

2	Ground	2021	8,346,925	7,099,946.57	8,094,625	International Valuation Standard-400: Real Property Interest and BSEC Notification No: Sec/CMRRCD/2009-193/150/Admin, Dated: August 18, 2013
3	1 st	2021	8,346,925	7,099,946.57	8,094,625	
4	2 nd	2021	8,346,925	7,099,946.57	8,094,625	
Total			29,503,281	25,095,675.20	32,378,500	

Valuation of land (Schedule- B)

SL No	Acquisition Date	Deed No.	Area Decimal	Cost Value	Written Down Value (BDT)	Revalued Amount (BDT)	Basis of Valuation
1	16/02/2015	1963	88.00	1,500,000	1,500,000	144,445,000	Market Approach Following International Valuation Standard-400: Real Property Interest and BSEC Notification No: Sec/CMRRCD/2009-193/150/Admin, Dated: August 18, 2013
2	24/05/2017	8307	74.79	9,625,000	9,625,000		
3	24/05/2017	8306	43.56	5,605,000	5,605,000		
Total				16,730,000	16,730,000	144,445,000	

- (xvi) Where the issuer is a holding or subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or 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 does not have any holding or subsidiary company.

- (xvii) 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;

The issuer is not a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator. So, it is not applicable for the Issuer.

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

Auditor's Certificate regarding allotment of shares to the Directors and Subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash

This is to certify that the paid-up capital of **Royal Footwear PLC** (hereinafter referred to as “the company”) has made the following allotment of shares up to 31 December 2025 for consideration other than cash:

Name of the Directors and/or Subscribers to the Memorandum of Association and Articles of Association	Date of Allotment	Allotment Type	No. of Shares	Face Value Taka	Amount in taka
Md Billal Hossain	27.03.2024	Ordinary Share (Bonus)	967,200	10.00	9,672,000
Md Zakir Hossain Patowary			1,540,800		15,408,000
Md. Kamrul Alam			818,040		8,180,400
Sub Total			3,326,040		33,260,400
Md Billal Hossain	18.01.2022	Other than Cash (Amalgamation**)	1,100,000	10.00	11,000,000
Md Zakir Hossain Patowary			10,590,000		105,900,000
Md. Kamrul Alam			6,060,000		60,600,000
Sub Total			17,750,000		177,500,000
Total			21,076,040		210,760,400

N.B:

* The company has subdivided the face value of its shares from Tk. 100 to Tk. 10 following a decision made at its Board Meeting held on June 23, 2024.

** Approved Scheme of Amalgamation by the High Court Division of the Supreme Court of Bangladesh.

Place: Dhaka
Dated: 06 April 2026

Sd/-
Ahsan Manzur & Co.
Chartered Accountants

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

TO WHOM IT MAY CONCERN

This is to declare that, to the best of our knowledge and belief, no material information has been suppressed 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.

For Royal Footwear PLC

Sd/-
Md. Billal Hossain
Managing Director

SECTION - VI

DIRECTORS AND OFFICERS

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

Name	Father's Name	Age	Residential Address	Educational Qualification	Experience	Position
Mr. Md. Zakir Hossain Patowary	Md. Sofiullah Patowary	48	Floor-3, House-485, Road-32, New DOHS, Mohakhali, Dhaka	M.Sc	23 years	Chairman
Mr. Md. Billal Hossain	Mawlana Sofi Ullah	47	Floor-5, House No.-158, Road-22, New DOHS, Mohakhali, Dhaka	B.Sc	23 years	Managing Director
Mr. Md. Kamrul Alam	Md. Shofiqur Rahman	48	2 nd Floor, House-3/7, Zakir Hossain Road, Block-F, Lalmatia Housing Society, Dhaka.	B.A	23 years	Director

*There is no nominated director in the company.

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

Name	Position	Date of Becoming Director for the First Time	Date of Expiration of Current Term
Mr. Md. Zakir Hossain Patowary	Chairman	30.01.2014	18.06.2027
Mr. Md. Billal Hossain	Managing Director	30.01.2014	18.06.2029
Mr. Md. Kamrul Alam	Director	30.01.2014	30.03.2027

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

Sl.	Name	Designation in Royal Footwear PLC.	Directorship with Other Companies	
			Name of Companies	Position
1	Mr. Md. Zakir Hossain Patowary	Chairman	Al-Madina Pharmaceuticals PLC.	Managing Director
			Smart Shoes Ltd.	
			Royal Toiletries Ltd.	
2	Mr. Md. Billal Hossain	Managing Director	Al-Madina Pharmaceuticals PLC.	Director
			Smart Shoes Ltd.	
			Royal Toiletries Ltd.	
3	Mr. Md. Kamrul Alam	Director	Al-Madina Pharmaceuticals PLC.	Director
			Smart Shoes Ltd.	

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

There is no such family relationship.

- (e) Short bio-data of each director;

Mr. Md Zakir Hossain Patowary
Chairman

Mr. Md. Zakir Hossain Patowary was born into a respected Muslim family in Laxmipur. He holds a postgraduate degree (M.Sc.) and brings over 23 years of extensive experience across diverse industries, including footwear, toiletries, agro, pharmaceuticals, and construction and development.

He has played a significant role in business expansion, demonstrating strong capabilities in decision-making, strategic planning, design, and the effective execution of financing, investment, and operational activities. He is recognized as a well-organized, dedicated, and self-motivated professional with substantial experience across multiple sectors.

Mr. Patowary has been actively engaged in both principal and agency roles involving a wide range of products. He is also known for his creativity, resourcefulness, and commitment to community service.

In addition, he holds positions in several organizations, including Al Madina Pharmaceuticals PLC. (Animal and Human Division), Royal Footwear PLC, Smart Shoes Ltd., Royal Toiletries Ltd., Marigold Real Estate Ltd., Marigold Associate Ltd., and Tulip Super Agro Industries Ltd. He is also the proprietor of Al Madina Pharmaceuticals, Al Madina Traders, Al-Madina Printing Press, Tech Squard, Royal Shoes, and Royal Motors.

Mr. Md. Billal Hossain
Managing Director

Mr. Billal Hossain was born into a respected Muslim family in Laxmipur. He holds a Bachelor of Science (B.Sc.) degree and has over 24 years of extensive experience across multiple industries, including footwear, toiletries, agro, construction and development, and pharmaceuticals.

He has played a vital role in business expansion, demonstrating strong expertise in decision-making, business planning, design, and the successful execution of financing, investment, and operational strategies. He is known as a well-organized, dedicated, and self-motivated professional with broad experience across various sectors.

Mr. Hossain has been actively involved in both principal and agency roles across a diverse range of products. He is also recognized for his creativity, resourcefulness, and engagement in community-oriented activities.

In addition, he has interests in several organizations, including Al Madina Pharmaceuticals PLC. (Animal and Human Division), Royal Footwear PLC, Smart Shoes Ltd., Royal Toiletries Ltd., Marigold Real Estate Ltd., Marigold Associate Ltd., and Tulip Super Agro Industries Ltd. He is also the proprietor of M/S Belal and Brother and M/S Sciencetech Corporation.

Mr. Md. Kamrul Alam
Director

Mr. Md. Kamrul Alam was born into a respected Muslim family in Laxmipur. He holds a Bachelor of Arts (B.A.) degree and has over 22 years of professional experience in the footwear, construction, and development sectors.

He has been instrumental in driving business expansion, with strong competencies in decision-making, strategic planning, design, and the effective implementation of financing, investment, and operational activities. He is recognized as a well-organized, dedicated, and self-motivated professional with extensive experience across multiple sectors.

Mr. Alam has performed diverse roles in both principal and agency capacities across various product lines. He is also known for his creativity, resourcefulness, and involvement in community-oriented initiatives.

He has served as a Director of Al Madina Pharmaceuticals PLC. (Animal and Human Division), Royal Footwear PLC, Smart Shoes Ltd., and Marigold Real Estate Ltd. (Construction and Development). In addition, he is the proprietor of M/S Care International.

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

Neither the company nor any of its directors of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

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

Sl.	Name	Designation	Qualification	Experience	Date of Joining
1	Mr. Billal Hossain	Managing Director	B.Sc.	23 years	30.01.2014
2	Mr. Mohammad Anichur Rahman	Chief Financial Officer	MBA (Major in Accounting)	24 years	30.01.2014
3	Mr. Md. Anwar Hossain	Company Secretary	MBA (Major in Accounting)	20 years	30.01.2014

SECTION - VII

INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS

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

No such bankruptcy petition filed by or against the issuer.

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

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

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

No such order, judgement or decree of any court of competent jurisdiction against any director.

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

No such order.

SECTION - VIII

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

- (a) Any director or executive officer of the issuer;
- (b) Any director or officer;
- (c) Any person owning 5% or more of the outstanding shares of the issuer;
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons;

The company did not have any transactions.

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

Related Party Transaction as follows:

Name of the Companies	Nature of Transaction	Nature of Relationship	As on June 30, 2025 (Amount in BDT)	As on December 31, 2025 (Amount in BDT)
Al- Madina Pharmaceuticals Ltd.	Factory Land Rent	Common Directors	240,000	120,000
Al- Madina Pharmaceuticals Ltd.	Electricity Bill Payment	Common Directors	17,103,336	7,659,220
Smart Shoes Limited	Sub-Contract Income	Common Directors	1,521,000	-

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

There are no such loans taken or given from or to any director or any person connected with the director of the company.

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

Sl.	Name	Designation in Royal Footwear PLC.	Directorship with Other Companies	
			Name of Companies	Position
1	Mr. Md. Zakir Hossain Patowary	Chairman	Al-Madina Pharmaceuticals PLC.	Director
			Smart Shoes Ltd.	
			Royal Toiletries Ltd.	
2	Mr. Md. Billal Hossain	Managing Director	Al-Madina Pharmaceuticals PLC.	Director
			Smart Shoes Ltd.	
			Royal Toiletries Ltd.	
3	Mr. Md. Kamrul Alam	Director	Al-Madina Pharmaceuticals PLC.	Director
			Smart Shoes Ltd.	

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

There is no interest and facilities enjoyed by directors except the ones that are described in the Executive Compensation section of this prospectus.

SECTION - IX

EXECUTIVE COMPENSATION

- (a) **The total amount of remuneration or salary or 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. No.	Name	Designation	Remuneration/salaries in BDT
1	Mr. Mohammad Anichur Rahman	Chief Financial Officer	260,000/month
2	Mr. Md. Saiful Islam	GM-Marketing	180,000/month
3	Mr. Md. Shamsul Islam	GM-Operation	180,000/month
4	Mr. Md. Anwar Hossain	AGM-Commercial	158,000/month
5	Mr. Md. Masudur Rahman	AGM-Accounts	130,000/month

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

The board of directors has not received any remuneration or Board Meeting Fees from the company.

Sl. No.	Designation	Nature of Transaction	For the year ended December 31, 2025 (Amount in BDT)
1	Officers and staff (admin, selling and distribution)	Salary and Allowance	13,921,800
2	Factory Workers and Staff	Salary and Wages	100,123,000

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

No such remuneration is paid to any director.

- (d) **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 its directors or officers regarding any future compensation to be made to them.

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

The Company has no plan to substantially increase remuneration to its directors and/or officers, except for those paid as annual increments to their salaries.

SECTION – X

OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

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

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

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

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

- i. The total number of shares or stock covered by all such outstanding options;**
- ii. The range of exercise prices;**
- iii. The range of expiration dates.**

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

SECTION – XI

TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

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

The Directors and subscribers to the memorandum of the company have not received any benefits directly or indirectly from the issuer during the last five years except the following:

i) Stock Dividend:

Name of the Directors	Date of Allotment	Allotment Type	No. of Shares	Face Value BDT	Amount in BDT
Md Billal Hossain	27.03.2024	Ordinary Share (Bonus)	967,200	10.00	9,672,000
Md Zakir Hossain Patowary			1,540,800		15,408,000
Md. Kamrul Alam			818,040		8,180,400
Total			3,326,040		33,260,400

- ii) Received the following shares of the company as per the approved Scheme of Amalgamation by the honorable High Court Division of the Supreme Court of Bangladesh:

Name of the Directors	Date of Allotment	Allotment Type	No. of Shares	Face Value BDT	Amount in BDT
Md Billal Hossain	18.01.2022	Ordinary Share (Amalgamation)	6,060,000	10.00	105,900,000
Md Zakir Hossain Patowary			10,590,000		60,600,000
Md. Kamrul Alam			1,100,000		11,000,000
Total			17,750,000		177,500,000

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

Royal Footwear PLC has not been acquired or is to be acquired from the aforesaid persons.

SECTION – XII

TANGIBLE ASSETS PER SHARE

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

Tangible Assets per Share backing per unit of the securities being offered:

Amount in BDT	
Particulars	31-Dec-25
Total Assets (A)	1,623,800,937
Intangible assets (B)	0
Total Liabilities (C)	691,114,180
Net Tangible Asset (D=A-B-C)	932,686,757
Unit of the Securities being offered (E)	12,000,000
Tangible Assets Per Share (D/E)	77.72

Tangible Assets per Share backing per unit of the existing securities as of December 31, 2025:

Amount in BDT	
Particulars	31-Dec-25
Total Assets (A)	1,623,800,937
Intangible assets (B)	0
Total Liabilities (C)	691,114,180
Net Tangible Asset (D=A-B-C)	932,686,757
Unit of the Securities being offered (E)	33,862,620
Tangible Assets Per Share (D/E)	27.54

Tangible Assets per Share backing per unit of the Post-IQIO securities:

Amount in BDT	
Particulars	31-Dec-25
Total Assets (A)	1,623,800,937
Intangible assets (B)	0
Total Liabilities (C)	691,114,180
Net Tangible Asset (D=A-B-C)	932,686,757
Unit of the Securities being offered (E)	45,862,620
Tangible Assets Per Share (D/E)	20.34

SECTION – XIII

OWNERSHIP OF THE COMPANY'S SECURITIES

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

Name	Position	Address	BO ID No.	Number of Shares	Pre IQIO Securities (%)
Mr. Md. Zakir Hossain Patowary	Chairman	Floor-3, House-485, Road-32, New DOHS, Mohakhali, Dhaka.	1204090074507526	14,380,800	42.47%
Mr. Md. Billal Hossain	Managing Director	Floor-5, House No.-158, Road-22, New DOHS, Mohakhali, Dhaka.	1204090074507451	9,587,200	28.31%
Mr. Md. Kamrul Alam	Director	2 nd Floor, House-3/7, Zakir Hossain Road, Block-F, Lalmatia Housing Society, Dhaka.	1204090074508753	7,989,340	23.59%
Total				31,957,340	94.37%

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

Name	Age	Experience	Number of Shares	Pre IQIO Securities (%)
Name: Md. Zakir Hossain Patowary Address: Floor-3, House-485, Road-32, New DOHS, Mohakhali, Dhaka. BO ID No.: 1204090074507526 TIN No.: 1445-21524872	47 Years	23 Years	14,380,800	42.47%
Name: Md. Billal Hossain Address: Floor-5, House No.-158, Road-22, New DOHS, Mohakhali, Dhaka. BO ID No.: 1204090074507451 TIN No.: 6123-83546252	48 Years	23 Years	9,587,200	28.31%
Name: Md. Kamrul Alam Address: 2 nd Floor, House-3/7, Zakir Hossain Road, Block-F, Lalmatia Housing Society, Dhaka. BO ID No.: 1204090074508753 TIN No.: 4120-11788791	47 Years	23 Years	7,989,340	23.59%

*No such share is held by the top ten salaried officers, and all other officers as a group.

Other:

Capital Structure of the Company:

Particulars	No. of Shares	Face Value	Issue Price	Amount in Taka
Authorized Capital	50,000,000	10	10	500,000,000
Before IPO:				
Paid-up capital	33,862,620	10	10	338,626,200
After IPO:				
To be issued through IPO	12,000,000	10	10	120,000,000
Paid-up capital (Post IPO)	45,862,620	10	10	458,626,200

History of Capital Raising:

Particulars of Allotment	Date of Allotment	Form of Consideration (No. of Shares)			Face Value Taka *	Premium	Paid-up Capital
		In cash	Other than in cash**	Bonus			
1 st (subscriber to the Memorandum & Articles of Association at the time of incorporation)	30.01.2014	1,000,000	-	-	10	-	10,000,000
2 nd	18.01.2022	-	17,750,000	-	10	-	177,500,000
3 rd	01.06.2022	4,000,000	-	-	10	-	40,000,000
4 th	07.08.2022	454,990	-	-	10	-	4,549,900
5 th	21.01.2024	4,967,000	-	-	10	-	49,670,000
6 th	27.03.2024	-	-	3,380,630	10	-	33,806,300
7 th	26.05.2024	2,310,000	-	-	10	-	23,100,000
Total							338,626,200

* The company has subdivided the face value of its shares from Tk. 100 to Tk. 10 following a decision made at its Board Meeting held on June 23, 2024.

** Approved Scheme of Amalgamation by the High Court Division of the Supreme Court of Bangladesh.

The shareholding position of all shareholders of the issuer is as follows:

Name	Position/ Status	Address	No. of Shares owned	BO ID	Shareholding (%) before IQIO	Shareholding (%) After IQIO	Lock- in*
Md Zakir Hossain Patowary	Chairman	Floor-3, House-485, Road-32, New DOHS, Mohakhali, Dhaka.	14,380,800	1204090074507526	42.47%	31.36%	2 years
Md Billal Hossain	Managing Director	Floor-5, House No.-158, Road-22, New DOHS, Mohakhali, Dhaka.	9,587,200	1204090074507451	28.31%	20.90%	2 years
Md. Kamrul Alam	Director	2nd Floor, House-3/7, Zakir Hossain Road, Block-F, Lalmatia Housing Society, Dhaka.	7,989,340	1204090074508753	23.59%	17.42%	2 years
Saiful Islam Khan	Shareholder	121/1 S.S. Academy Road, Tongi, Gazipur	57,320	1204090074508919	0.17%	0.12%	1 year
Rowshan Ara Mukta	Shareholder	House:407, Road:29, New DOSH, Mohakhali, Kafrul, Dhaka	171,980	1204090074508828	0.51%	0.37%	1 year
Sahela Nahid	Shareholder	50/1, Station Road, Tejgaon, Dhaka	127,400	1204090074509137	0.38%	0.28%	1 year
Hosne Ara	Shareholder	House:407, Road:29, New DOSH, Mohakhali, Kafrul, Dhaka	152,880	1204090074509046	0.45%	0.33%	1 year
Mohammad Anwar Hossain	Shareholder	House-28, Alaul Avenue, Sector:6, Uttara-1230, Dhaka	85,700	1201510009939144	0.25%	0.19%	1 year
Md. Kamrujjaman	Shareholder	Vill: Elahi Nagar Prubo para, P.O.: Sabdi bazar- 1441, Sonargaon, Narayanganj	250,000	1602770066921258	0.74%	0.55%	1 year
Sweet Agro-vet Ltd.	Shareholder	Plot:18, Flat:8/B, Metropolitan Housing Society, Block: F, Babar Road, Mohammadpur-1207, Dhaka	100,000	1201830072421609	0.30%	0.22%	1 year
Nazmin Nahar	Shareholder	House:72, Block: J, Banasree, Khilgaon, Dhaka	100,000	1204030076607946	0.30%	0.22%	1 year
Jasim Uddin	Shareholder	Palli Shree, Vill: Alipur, P.O: Hathazari-4330, Chattogram	100,000	1204290076101959	0.30%	0.22%	1 year
Mohammad Parvej	Shareholder	Lahari, Kalghora-3413, Nabinagar, Brahmanbaria	100,000	1203410076587587	0.30%	0.22%	1 year

Name	Position/ Status	Address	No. of Shares owned	BO ID	Shareholding (%) before IQIO	Shareholding (%) After IQIO	Lock- in*
Abu Farid Mohammed Selim	Shareholder	Flat:8/B, House-243, Road:02, Block: B, Basundhara, Vatara, Dhaka	200,000	1602110054529389	0.59%	0.44%	1 year
Wifang Securities Ltd.	Shareholder	Room:901 (8 th Floor), Modhumita Building, 158-160, Motijheel C/A, Dhaka-1000, Dhaka	200,000	1203520038128053	0.59%	0.44%	1 year
Md. Sazzad Hossain	Shareholder	376/1 (2 nd Floor), East Goran, Khilgaon-1219, Dhaka	100,000	1202220074150344	0.30%	0.22%	1 year
Md. Latifur Rahman	Shareholder	House:57/C, Manik Nagar, Nazimuddin Road, Wari-1203, Dhaka	50,000	1205590076613680	0.15%	0.11%	1 year
Mohammad Rafiqul Islam	Shareholder	Vill+P.O:Teota, P.S: Shibaiaya, Dhaka	110,000	1602110040640005	0.32%	0.24%	1 year
Total			33,862,620		100.00%	73.83%	

* Lock-in period starts from the date of issuance of the prospectus.

SECTION – XIV

DETERMINATION OF OFFERING PRICE

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

Factors considered in determining the offering price (at par) are provided below.

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

- (i) net asset value per share at historical or current costs;
- (ii) earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years or such shorter period during which the issuer was in commercial operation;
- (iii) projected earnings-based- value per share calculated on the basis of weighted average of projected net profit after tax for the immediate next three accounting years as per the issuer’s own assessment duly certified by the auditor of the issuer;

Factors are considered in determining the offering price (at par):

- I. The valuation report of securities to be offered shall be prepared and justified based on the financial and all other information pertinent to the issue:**

The valuation report of securities offered is prepared and justified based on the financials and all other information pertinent to the Issue.

- II. To prepare the valuation report, we may consider all qualitative and quantitative factors which shall be explained in detail with a rationale to consider such factors, the valuation methods used, sources of information and authenticity of such information:**

We considered the following, all qualitative and quantitative factors to prepare the valuation report:

Qualitative Factors

Some of the qualitative factors that help differentiate Royal Footwear PLC from its competitors and enable it to compete successfully in the industry are as follows:

- **Quality Product:** The company consistently produces top-quality products by utilizing high-quality imported raw materials, resulting in a steady increase in sales volume.
- **Experienced sponsors supported by a professional management team:** The management team boasts extensive experience and is comprised of leading individuals in their respective fields.
- **Modern Machineries & Technology:** The company has adopted modern machinery and technology to enhance productivity.
- **Customers & Suppliers:** The company maintains long-standing relationships with both customers and suppliers.
- **Dedicated Workforce:** The Company is committed to not only hiring employees/workers but also nurturing and training them into valuable human resources.
- **Business Transactions:** The company boasts a good track record of business transactions.

Quantitative Justification:

Information presented in this prospectus is derived from audited financial statements for the year ended on 30 June 2025, 2024, 2023, 2022 & 2021 as prepared in accordance with IAS and IFRS adopted by ICAB.

III. While preparing the valuation report, we shall avoid exaggeration and biasness.

IV. We avoided exaggeration and biasness in preparing the valuation report. The valuation report of securities is prepared based on the financial and all other information of the issue.

V. We shall, among others, consider the following methods for the valuation of the securities:

- (i) net asset value at historical or current costs;
- (ii) earning-based-value calculated on the basis of the weighted average of net profit after tax for the immediate preceding five years or such shorter period during which the issuer was in commercial operation;
- (iii) projected earnings for the next three accounting years with rationales of the projection, if not in commercial operation;
- (iv) average market price per share of similar stocks for the last year immediately prior to the offer for common stocks with reference and explanation of the similarities.

The following table illustrates the calculation of the fair value of Royal Footwear PLC under different methods:

The issue price at BDT 10.00 each is justified as detailed below:

		Amount in BDT
Method 1	a) Net Asset Value (NAV) without Revaluation	15.78
	b) Net Asset Value (NAV) with Revaluation	27.54
Method 2	a) Historical Earnings-Based Valuation (Considering Market P/E)	12.16
	b) Historical Earnings-Based Valuation (Considering Sector P/E)	17.77
Method 3	Average Market Price of Similar Stock based Valuation	47.70

Method 1

a) Net Asset Value (NAV) per share Without Revaluation:

The Net Asset Value (NAV) is calculated using the information from the most recently audited financial statements on December 31, 2025. To calculate the NAV, revaluation reserved deduct from the net assets of the company, then divided by the total number of outstanding shares. Detailed calculation of the valuation is given in the following table:

Particulars	Amount in BDT
a) Share Capital	338,626,200
b) Retained earnings	195,847,002
Total Shareholders' Equity (A)	534,473,202
B. Number of shares outstanding as on December 31, 2025	33,862,620
Net Asset Value Per share (A/B)	15.78

Source: Audited Financial Statements December 31, 2025

Method 1

b) Net Asset Value (NAV) per share With Revaluation:

The Net Asset Value (NAV) is calculated using the information from the most recently audited financial statements on December 31, 2025. To calculate the NAV, the net assets of the company are divided by the total number of outstanding shares. Detailed calculation of the valuation is given in the following table:

Particulars	Amount in BDT
a) Share Capital	338,626,200
b) Retained earnings	195,847,002
c) Revaluation Reserve	398,213,555
Total Shareholders' Equity (A)	932,686,757
B. Number of shares outstanding as on December 31, 2025	33,862,620
Net Asset Value Per share (A/B)	27.54

Source: Audited Financial Statements December 31, 2025

Method 2

a) Historical Earnings-Based Valuation (Considering Market P/E):

The Historical Earnings Based Valuation is based on the information from audited financial statements for the year ended (2021 to 2025). The historical net income after tax was used along with the number of outstanding shares of the company in the respective year. The Monthly Market P/E from February 2026 to April 2026 is sourced from the DSE Monthly review. The Earnings based value per share considering average market P/E has been calculated as follows:

Year	No. of Share	Weight (%)	Profit after Tax	Weighted Average Net Profit after Tax
30-Jun-21	1,000,000	0.87%	18,665,013	162,757
30-Jun-22	22,750,000	19.84%	12,092,552	2,398,893
30-Jun-23	23,204,990	20.23%	23,590,263	4,773,376
30-Jun-24	33,862,620	29.53%	67,057,162	19,800,546
30-Jun-25	33,862,620	29.53%	53,935,964	15,926,137
Total	114,680,230	100%		43,061,708
A. Weighted average profit after tax				43,061,708
B. Number of shares outstanding as on December 31, 2025				33,862,620
C. EPS based on weighted Average of Net Profit after Tax (A/B)				1.27
D. Overall Market P/E (Average of last 3-months)				9.56
Earnings-based value per share (C*D)				12.16
Calculation of Average Market P/E				
Particulars	February 2026	March 2026	April 2026	Average
Market P/E	10.10	9.37	9.22	9.56

Source: DSE Monthly Review

Method 2

b) Historical Earnings Based Valuation (Considering Sector P/E)

The Historical Earnings Based Valuation is based on the information from audited financial statements for the year ended (2021 to 2025). The historical net income after tax was used along with the number of outstanding shares of the company in the respective year. The Monthly Tannery Sector P/E from February 2026 to April 2026 is sourced from DSE Monthly review. The Earnings based value per share considering average sector P/E has been calculated as follows:

Year	No. of Share	Weight (%)	Profit after Tax	Weighted Average Net Profit after Tax
30-Jun-21	1,000,000	0.87%	18,665,013	162,757
30-Jun-22	22,750,000	19.84%	12,092,552	2,398,893
30-Jun-23	23,204,990	20.23%	23,590,263	4,773,376
30-Jun-24	33,862,620	29.53%	67,057,162	19,800,546
30-Jun-25	33,862,620	29.53%	53,935,964	15,926,137
Total	114,680,230	100%		43,061,708
A. Weighted average profit after tax				43,061,708
B. Number of shares outstanding as on December 31, 2025				33,862,620
C. EPS based on weighted Average of Net Profit after Tax (A/B)				1.27
D. Overall Market P/E (Average of last 3-months)				13.97
Earnings-based value per share (C*D)				17.77
Calculation of Average Engineering Sector P/E				
Particulars	February 2026	March 2026	April 2026	Average
Sector P/E	14.66	13.60	13.66	13.97

Source: DSE Monthly Review

Method 3

Average Market Price of Similar Stock based Valuation

To calculate the average market price of similar stocks, month-end closing data for 2 (two) companies were used for comparison. The period from May 2025 to April 2026 was taken to compute the average market price of similar stocks. The average market price of all similar stocks is as follows:

Month-end close price in BDT			
Sl.	Date	MK Footwear PLC	Craftsman Footwear and Accessories Limited
1	31-May-25	49.80	28.10
2	29-Jun-25	55.80	26.00
3	31-Jul-25	57.50	26.20
4	31-Aug-25	52.80	24.00
5	30-Sep-25	57.80	25.40
6	30-Oct-25	59.10	33.80
7	30-Nov-25	56.50	27.30
8	30-Dec-25	62.50	28.70
9	29-Jan-26	60.00	30.20
10	26-Feb-26	70.90	29.60
11	31-Mar-26	88.70	32.00
12	30-Apr-26	124.20	37.80
Average Price		66.30	29.09
Cumulative Average			47.70

Source: DSE Monthly Review.

Average market price of similar stock-based valuation (Assumption):

The average month-end close price of MK Footwear PLC and Craftsman Footwear and Accessories Limited from May 2025 to April 2026 is considered.

SECTION – XV

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

All types of securities outstanding or being offered with the date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and preemption rights:

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive a 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, the 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 RQIO, 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 the 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. The dividend shall be recommended by the Board of Directors time to time for distributing the accumulated profit.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. The 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 the 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 un audited, 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.

SECTION - XVI

FINANCIAL STATEMENTS

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

**Independent Auditor’s Report and Interim
Audited Financial Statements of
As at and for the six months period ended
31 December 2025**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
OF
ROYAL FOOTWEAR PLC
Report on the audit of the Interim Financial Statements**

Opinion

We have audited the Interim Financial Statements of Royal Footwear PLC. ("The Company"), which comprise the Interim Statement of Financial Position as of 31 December 2025, and Interim Statement of Profit or Loss and other Comprehensive Income, Interim Statement of Changes in Equity and Interim Statement of Cash Flows for the period, and notes to the Interim Financial Statements, including a summary of material accounting policy information.

In our opinion, the accompanying Interim Financial Statements give a true and fair view of the Interim Financial Position of the company as of 31 December 2025, and of its financial performance and its Interim Cash flows for the period in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Security and Exchange rules 2020 and other applicable law and regulations.

Basis for Opinion

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

Key Audit Matters

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

Risk	Our response to the risk
1. Revenue Recognition and Accounts Receivable The Company reported revenue of Tk. 529,129,002 for the period ended 31 December 2025. Accounts receivable amounted to Tk. 53,461,619 for the period ended 31 December 2025. Where the amount was Tk. 47, 225,843 at prior year end. Revenue is recognized in accordance with IFRS 15 Revenue from Contracts with Customers, under which revenue is recorded when control of goods is transferred to customers. Revenue from the sale of	Our audit procedures included obtaining an understanding of management's revenue recognition process and evaluating whether revenue was recorded in accordance with the Company's accounting policy as disclosed in Notes 3.06 and 19 to the Financial Statements. We also assessed whether the disclosed policy complied with the requirements of the relevant accounting standards, including IFRS 15. For revenue recognized during the year, we tested selected key controls—such as management's review controls—to assess their design and

goods is measured at the fair value of the consideration received or receivable. The Company export different kinds of Footwear products. We have specifically focused on this key audit matter to cut-off and occurrence for revenue recorded within 31 December 2025. Pressures to meet stakeholders' expectations could provide incentives to record revenues where controls of the goods have not passed.	operating effectiveness. We performed substantive procedures to obtain sufficient audit evidence regarding the accuracy and completeness of revenue recorded from customer contracts. As part of our assessment of IFRS 15 implementation, we evaluated management's analysis of various contract types and the appropriateness of the revised accounting policies, considering industry-specific circumstances and our understanding of the Company's operations. We tested the accounting treatment on a sample basis and verified the accuracy and completeness of related IFRS 15 disclosures.
See note no: 6.00 & 19.00 to the Interim financial statements.	

2. Valuation of Inventory

At the reporting date, the carrying value of inventory amounted to Tk. 509,150,991. Which is 31% of total assets. Inventories were considered as a key audit matter due to the size of the balance and because inventory valuation involves management judgement. Inventory valuation and existence was an audit focus area because of the number of locations/stores that inventory was held at, and the judgement applied in the valuation of inventory to incorporate inventory shrinkage. According to the Company's accounting policy, inventories are measured at the lower of cost or net realizable value. The Company has specific procedures for identifying risk for obsolete items and measuring inventories at the lower cost and net realizable value.	● Assessing the compliance of Company's accounting policies over inventory with applicable accounting standards. ● Assessing the inventory valuation process and practices. On major locations, we tested the effectiveness of the key controls. ● Assessing the analyses made by management with respect to slow moving and obsolete stock. ● Attending inventory count on 03 February 2026 and reconciling the count results to the inventory listings to test the completeness of data. ● Comparing the net realizable value, obtained through a detailed review of sales after the year-end, to the cost price of a sample of inventories. ● Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year. ● Evaluating the correctness of the valuation of raw materials and packing material as per weighted average method. ● Reviewing the calculation of standard labor hours and their regular comparison with actual labor hours of production; and reviewing the process of valuing work-in-progress.
See note no: 03.03 & 5.00 to the Interim Financial Statements.	

3. Property, plant and Equipment (PP&E)	
The carrying value of PP&E as at 31 December 2025 was Tk. 793,500,384 which is 49% of total assets. There are a number of areas where management judgment impacts the carrying value of PP&E, and the related depreciation schedule. These include: • Determining which costs meet the criteria for capitalization; • The estimation of economic useful lives and residual values assigned to property, plant and equipment. We identified the carrying value of property, plant and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements.	Our audit procedures to assess the carrying value of PP&E included the following: • Assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values; • Assessing, on a sample basis, with the relevant underlying documentation, • Evaluating management’s estimation of useful economic lives and residual values by considering our knowledge of the business. • We have physically verified the assets on sample basis and their usable condition.
See note no: 4.00 to the Interim Financial Statements.	
4. Legal and regulatory matters	
We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict. These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents best estimate for existing legal matters that have a probable and estimable impact on financial position.	We have obtained and understanding, evaluate the design and tested the operational effectiveness of key controls over the legal provisions and contingencies process. We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

Reporting on Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies of apparent material misstatement, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in respect of these matters.

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

Management is responsible for the preparation of Interim Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards, 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. In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Interim Financial Statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements

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

- Identify and assess the risks of material misstatement of the Interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Interim Financial Statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Interim Financial Statements, including the disclosures, and whether the Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994. We also report the following:

- 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 verification thereof.
- b) In our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of these books; and
- c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report agree with the books of accounts.
- d) The expenditure incurred was for the purposes of the organization.

Signed for & on behalf of

Ahsan Manzur & Co.

Chartered Accountants

Firm Registration No. with FRC: CAF-001-127

Sd/-

Md. Abdullah Al Amin, FCA

Partner

Enrollment No: 1463

DVC:2603161463AS509735

Place: Dhaka

Date: 16 March 2026

Royal Footwear PLC
Interim Statement of Financial Position
As at 31 December 2025

Particulars	Note's	Amount in Taka	
		31-Dec-2025	30-Jun-2025
ASSETS			
Non -Current Asset:			
Property, Plant & Equipment	4.00	793,500,384	808,738,021
		793,500,384	808,738,021
Current Asset:			
Inventories	5.00	509,150,991	615,486,118
Bills Receivable	6.00	53,461,619	47,225,843
Advances, Deposits & Pre-Payments	7.00	65,173,750	76,421,164
Cash & Cash Equivalents	8.00	202,514,192	195,411,033
		830,300,553	934,544,158
TOTAL ASSETS		1,623,800,937	1,743,282,179
SHARHOLDER'S EQUITY & LIABILITIES			
Equity attributable to the owners of the Company			
Share Capital	9.00	338,626,200	338,626,200
Retained Earnings	10.00	195,847,002	166,005,349
Revaluation Reserve	11.00	398,213,555	400,038,011
		932,686,757	904,669,560
Non-Current Liabilities			
Long Term Loan-Non-Current Portion	12.01	31,337,645	30,546,639
Deferred Income	13.00	24,289,138	25,567,514
Deferred Tax Liabilities	14.00	74,949,950	74,666,799
		130,576,733	130,780,952
Current Liabilities			
Short Term Loan	15.00	516,302,420	647,764,525
Long Term Loan - Current Portion	12.02	9,788,869	16,819,954
Accounts Payable	16.00	2,799,719	6,155,200
Liabilities for Expenses	17.00	26,331,357	24,182,617
Provision for Income Tax	18.00	5,315,082	12,909,371
		560,537,447	707,831,667
Total Liabilities		691,114,180	838,612,619
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		1,623,800,937	1,743,282,179
Net Asset Value Per Share (NAVPS) with revaluation	26.00	27.54	26.23
Net Asset Value Per Share (NAVPS) without revaluation	26.01	15.78	14.35

The annexed notes are an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

signed in terms of four separate reports of same date

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration no. with FRC: CAF- 001-127

Sd/-
Md. Abdullah Al Amin, FCA
Partner
Enrollment #: 1463
DVC:2603161463AS509735

Date: 16 March 2026
Place: Dhaka

Royal Footwear PLC
Interim Statement of Profit or Loss and Other Comprehensive Income
For the six months period ended 31 December 2025

Particular	Note's No.	Amount in Taka	
		July to Dec-2025	July to Dec-2024
Revenue	19.00	529,129,002	523,443,298
Less : Cost of Goods Sold	20.00	452,216,484	451,004,163
Gross Profit/(Loss)		76,912,518	72,439,135
Less: Administrative, Selling & Distribution Expenses	21.00	19,107,942	20,340,600
Profit from operation		57,804,576	52,098,535
Less: Finance Cost	22.00	23,726,375	19,575,258
Add: Other Income	23.00	1,218,000	7,391,340
Net Profit / (Loss) before WPPF		35,296,200	39,914,617
Less: Workers Profit Participation Funds		1,680,771	1,900,696
Net Profit / (Loss) before Tax		33,615,429	38,013,921
Less: Income Tax Expenses	24.00	5,315,082	6,208,374
Add/Less: Deferred Tax (Income)/Expenses		531,940	(52,912)
Net Profit/(Loss) after Tax		27,768,406	31,858,459
Other Comprehensive Income			
Revaluation reserve during the period		248,789	-
Total Comprehensive Income		28,017,195	31,858,459
Earning Per Share (EPS)	25.00	0.82	0.94

The annexed notes are an integral part of these financial statements.

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

signed in terms of four separate reports of same date

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration no. with FRC: CAF- 001-127

Date: 16 March 2026
Place: Dhaka

Md. Abdullah Al Amin, FCA
Partner
Enrollment #: 1463
DVC:2603161463AS509735

Royal Footwear PLC
Interim Statement of Changes in Equity
For the six months period ended 31 December 2025

Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Total Equity
Balance as on 01 July 2025	338,626,200	166,005,349	401,958,490	904,669,560
Addition during the period		-		-
Realization of Revaluation Reserves transferred to Retained Earnings through Depreciation Charge on Revalued Assets	-	2,073,245	(2,073,245)	-
Deferred Tax adjustment on revalued assets	-		248,789	248,789
Profit / (Loss) for the period		27,768,406	-	27,768,407
Balance as at 31.12.2025	338,626,200	195,847,002	400,134,034	932,686,757

Royal Footwear PLC
Interim Statement of Changes in Equity
For the six months period ended 31 December 2024

Particulars	Share Capital	Retained Earnings	Revaluation Reserve	Total
Balance as on 01 July 2024	338,626,200	107,704,659	402,554,756	848,885,615
Addition during the period		-	-	-
Realization of Revaluation Reserves transferred to Retained Earnings through Depreciation Charge on Revalued Assets	-	2,182,363	(2,182,363)	-
Deferred Tax adjustment on revalued assets	-	-	1,789,538	1,789,538
Adjustment of deferred Tax adjustment on revalued assets		-	(203,441)	(203,441)
Profit / (Loss) for the period	-	31,858,459	-	31,858,459
Balance as at 31.12.2024	338,626,200	141,745,481	401,958,490	882,330,171

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Date: 16 March 2026
Place: Dhaka

Royal Footwear PLC
Interim Statement of Cash Flows
For the six months period ended 31 December 2025

Particular	Note's	Amount in Taka	
		July to Dec-2025	July to Dec-2024
A. Cash flows from Operating Activities:			
Cash receipt from customers and others		522,832,849	445,604,871
Cash paid to suppliers and others		(465,131,409)	(420,401,221)
Tax Expense		(5,315,082)	(6,208,374)
Net Cash generated from operating activities	28	52,386,358	18,995,276
B. Cash flows From Investing Activities:			
Acquisition of property, plant and equipment		-	-
Net cash used in Investing Activities		-	-
C. Cash flows From Financing Activities:			
Proceed from share issue		-	-
Capital Bill Borrowing		-	-
Increase/ (Decrease) of Long Term Loan		791,006	(3,058,114)
Increase/ (Decrease) of Long Term (Current Portion)		(7,031,085)	(572,246)
Increase/ (Decrease) of Short Term Loan		(15,316,746)	20,145,280
Finance cost paid		(23,726,375)	(19,575,258)
Net cash generated from Financing Activities		(45,283,199)	(3,060,338)
D. Net Increase/(Decrease) in cash and cash equivalents (A+B+C)		7,103,159	15,934,938
E. Cash and cash equivalents at the beginning of the period		195,411,033	102,897,668
F. Cash and cash equivalents at the end of the period (D+E+F)		202,514,192	118,832,605
Net Operating Cash Flow Per Share (NOCFPS)	27	1.55	0.56

Sd/-
Company Secretary

Sd/-
Chief Financial Officer

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Date: 16 March 2026
Place: Dhaka

Royal Footwear PLC
Notes to the Interim Financial Statements
For the six months period ended 31 December 2025

1.00 Corporate business

Royal Footwear PLC was originally established as a private limited company in Bangladesh. It later transitioned into a public limited company on June 23, 2024, in accordance with the Companies Act (Act XVIII) of 1994. The Certificate of Incorporation was initially issued on January 30, 2014, under Registration No. C-113811/14.

1.01 Address of the company

The company's registered office is located at 178-179 Farmgate, Tejturi Bazar Road, Road-23, Ward-39, Tejgaon, Dhaka. The factory office located at 1/1, Tilargati, Kakil, Tongi 1711, Gazipur, Bangladesh.

1.02 Nature of business

The Company was incorporated to engage in the footwear business of manufacturing, exporting, and importing, subject to obtaining the necessary permissions from the relevant authorities. It aims to conduct these activities either independently or in collaboration with other business organizations involved in similar industries.

2.00 Basis of preparation

2.01 Financial statements and reporting

Component of financial statements

These financial statements include the Interim Statement of Financial Position, Interim Statement of Comprehensive Income, Interim Statement of Changes in Equity, Interim Statement of Cash Flows, as well as accompanying notes and explanatory materials detailing accounting policies.

Statement of compliance

These financial statements have been prepared, and information disclosures have been made in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Financial Reporting Council (FRC). Additionally, they comply with the Companies Act 1994 (as amended in 2020), the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules, the Listing Regulations of Dhaka Stock Exchange Limited, the Listing Regulations of Chittagong Stock Exchange PLC, the Financial Reporting Act 2015, and other relevant local laws and regulations as applicable.

The Interim statement of financial position, the Interim statement of profit or loss, and other comprehensive income have been prepared in accordance with IAS 1, "Presentation of Financial Statements," on an accrual basis, following the going concern assumption under generally accepted accounting principles and practices in Bangladesh. The cash flows from operating activities are prepared under the direct method, as prescribed by IAS 7, "Statement of Cash Flows," and the Securities and Exchange Rules.

Compliance with other relevant laws and regulations issued by various government bodies includes:

- a) The Income Tax Act (ITA) 2023
- b) The Value Added Tax Act, 2012 & Rules, 2016
- c) The Customs Act, 1969
- d) The Bangladesh Labour Act, 2006 (Amended up to 2025)
- e) The Bangladesh Labour Rules, 2015

Finally, compliance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) is ensured, with the following standards applied for the preparation and presentation of the company's financial statements for the period under audit.

Basis of measurement

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

2.02 Fundamental accounting concepts/ assumptions

The financial statements have been prepared based on Going concern, Consistency Principles, Accrual concept and such other convention as required by International Financial Reporting Standards for fair presentation of financial statements.

2.03 Going concern

Royal Footwear PLC's management continues to prepare the company's accounts using a going concern basis, as they have sufficient resources to support ongoing operations in the foreseeable future. The current credit facilities and resources of the company, funded by investors, provide adequate funds to meet the present needs of the existing business.

2.04 Corporate accounting standards practiced

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

IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statement
IAS 10	Events after the reporting period
IAS 12	Income Taxes
IAS 16	Property, Plant And Equipment
IAS 19	Employee Benefits
IAS 21	The Effects of Changes in Foreign Exchange Rates
IAS 24	Related Party Disclosures
IAS 33	Earnings Per Share
IAS 34	Interim Financial Reporting
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets

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

IFRS 1	First-time Adoption of Bangladesh Financial Reporting Standards
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers

2.05 Reporting period

The reporting period of the financial statements covers from 01 July 2025 to 31 Dec 2025.

2.06 Presentation of comparative Financial Information

Comparative financial Information has been presented as per Circular Ref. No. SEC/CFD/Misc./233/2004/615 in accordance with as para 20 of IAS 34.

2.07 Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Taka (BDT), which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka . Figures within bracket mean expense/Cash outflow.

2.08 Statement of cash flows

Interim Statement of Cash Flows has been prepared in accordance with IAS-7 “Statement of Cash Flows” and the cash flows from the operating activities have been presented under direct method.

2.09 Provisions

In accordance with the guidelines as prescribed by IAS-37 "Provisions, Contingent Liabilities and Contingent Assets" provisions are recognized in the following situations:

- when the company has an obligation (legal or constructive) as a result of past events;
- when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- reliable estimates can be made of the amount of the obligation.

2.10 Fundamental errors

Fundamental errors are those errors which were initiated in past years and subsequently identified and rectified in these financial statements. These errors are adjusted with retained earnings.

3.00 Principal accounting policies

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

3.01 Recognition and measurement of property, plant and equipment

Royal Footwear PLC measured all of its property, plant and equipment at cost less accumulated depreciation in past years. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes (after deducting trade discount and rebates) and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

Subsequent cost

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

Retirement and disposal

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

3.02 Depreciation of property, plant and equipment

Depreciation on all items of property, plant and equipment has been computed using the diminishing balance method so as to write off the assets over their expected useful life.

Depreciation has been charged on additions on monthly basis irrespective of the day when the related assets are put into use and no depreciation is charged on retirement.

The annual depreciation rates have been applied as under which is considered reasonable by the management.

Category of fixed assets	Rate of depreciation (%)
Land and land development	Nil
Factory Building	5%
Plant & Machineries	10%-15%
Furniture & Fixtures	10%
Electric Installation	10%
Office Equipment	10%

3.03 Inventories

The valuation of inventories comprises the total expenses associated with acquisitions, conversion, and other costs involved in transporting inventories to their current state and location. The assessment of inventories follows the principle of being valued at the lower of cost (calculated using weighted average cost) and their net realizable value, as outlined by International Accounting Standard 2 (IAS 2).

3.04 Financial Assets

Financial Assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

i. Trade and other receivables

Accounts receivables are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, provision experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of comprehensive income.

ii. Advance, deposit & prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition advances are carried at cost less charges to the statement of comprehensive income.

iii. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank balances.

3.05 Financial Liability

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

Trade & other payables

Trade and other payable comprise mostly trade payable and bills payable. Trade payable consists of amount payable to various suppliers. Bills payable consists of unpaid bills of suppliers.

Accruals

Accruals are liabilities for various services and operating expenses existing at the reporting date for which the amount of liability can be measured reliably.

3.06 Revenue recognition

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for good or services when (or as) it transfers control to the customer. To achieve that core principle, this standards establishes a few-step model as follows:

- i) Identify the contract with a customer,
- ii) Identify the performance obligations in the contract,
- iii) Determine the transaction price,
- iv) Allocate the transaction price to the performance obligations in the contract, and
- v) Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue has been recognized in compliance with the requirements of IFRS-15. Upon confirmation of the work order with all specifications, Royal Footwear PLC determines the transaction price considering all fixed and variable factors. As per IFRS-15, revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of cancelled services. Revenue from goods rendered is generally recognized in the income statement when the relevant goods are completed, usually when the report of delivery or the Bill of Lading, or the Bill of EXPO is issued.

3.07 Grant received

Grant income should be recognized when there is reasonable assurance that the organization will comply with the conditions attached to the grant and the funds will be received. Ensure that recognition and measurement align with the principles outlined in IAS 20.

3.08 Foreign currency transaction

Transactions denominated in foreign currencies are translated into Bangladesh Taka (BDT) at the exchange rates prevailing on the date of the respective transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities are translated using the exchange rates prevailing at the date of the transaction.

As foreign currency transactions are recorded on a real-time basis and exchange differences are assessed to be immaterial, any minor exchange differences arising in the ordinary course of business are adjusted directly against the related purchase and revenue accounts. Accordingly, no material foreign exchange gain or loss is separately recognized or presented in the financial statements.

3.09 Taxation

The calculation of the existing income tax obligation relies on the tax legislation that was enacted or essentially enacted by the date of the balance sheet. The management conducts periodic assessments of the stances assumed in tax returns concerning circumstances where relevant tax regulations can be open to interpretation. When necessary, it creates provisions based on the expected payments to be made to tax authorities.

3.10 Deferred Tax

Deferred tax is calculated using the carrying amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the comprehensive income statement. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the statement of financial position. Deferred tax asset or liability is the amount of income tax recoverable or payable in future periods recognized in the current period. The deferred tax asset/income or liability/expense does not create a legal recoverability/liability to and from the income tax authority. Deferred tax also arises due to revaluation of property, plant and equipment. The resulting impact of deferred tax assets/liabilities on revaluation surplus is included in the Statement of Profit or Loss and Other Comprehensive Income.

3.11 Employees Benefit Plans

Workers Participation Fund and Welfare Fund

The company routinely designates 5% of the net profit before tax to this fund, as dictated by the stipulations outlined in the Bangladesh Labour Act, 2006 (amended up to 2025) Under this act, the fund is distributed into three categories: the Employee Welfare Fund, the Bangladesh Workers Welfare Foundation, and the Workers Participation Fund, in the proportions of 10%, 10%, and 80%, respectively.

The Company has not been able to complete the registration of the Workers' Profit Participation Fund (WPPF) as required under the Labour Law. However, the management has assured that the WPPF registration will be completed and the fund will be distributed among the workers in accordance with the provisions of the Labour Law.

3.12 Earnings per share

This has been calculated in compliance with the requirements of IAS-33 "Earnings Per Share" by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic earnings

This represents earnings for the period attributable to ordinary shareholders. As there is no preference share 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.

3.13 Related Party Disclosures

As per International Accounting Standards IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties.

3.14 Date of authorization for issue

These financial statements were authorized for issue by the Management of the company on 10 March 2026.

3.15 Cash Incentive from Export

The company has recognized the export cash incentive upon receipt of the incentive from the government authority through the banking channel. The receipt will be confirmed by a bank certificate.

Royal Footwear PLC
Notes to the Interim Financial Statements
As at 31 December 2025

Note's No.	Particulars	Amount in Taka	
		31-Dec-2025	30-June-2025
4.00	Property, Plant And Equipment		
	i) At Cost		
A	Cost:		
	Opening Balance	500,828,547	500,828,547
	Add: Addition during the period	-	-
		500,828,547	500,828,547
B	Accumulated Depreciation		
	Opening Balance	159,796,545	130,224,557
	Add: Depreciation charged during the period	13,164,392	29,571,988
		172,960,937	159,796,545
	Written Down Value (A-B)	327,867,610	341,032,002
	ii) At Revaluation		
A	Cost:		
	Opening Balance	473,550,314	473,550,314
	Add: Addition during the period	-	-
		473,550,314	473,550,314
B	Accumulated Depreciation		
	Opening Balance	5,844,295	1,479,568
	Add: Depreciation charged during the period	2,073,245	4,364,727
		7,917,540	5,844,295
	Written Down Value (A-B)	465,632,774	467,706,019
	Total Written Down Value (i+ii)	793,500,384	808,738,021
	Property, Plant And Equipment is given in details in Schedule -I		
5.00	Inventories		
	Raw materials	432,669,925	529,695,018
	Work-in-progress	6,911,300	7,069,200
	Finished goods	69,569,766	78,721,900
		509,150,991	615,486,118
6.00	Bills Receivable		
	Opening balance	47,225,843	100,318,050
	Add: Addition during the period	527,850,626	919,535,171
		575,076,469	1,019,853,221
	Less: Realized during the period	521,614,849	972,627,378
		53,461,619	47,225,843

This is considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

Particulars	31-Dec-2025	30-June-2025
Bill receivables considered good in respect of which the company is fully secured	53,461,619	47,225,843
Bill receivables considered good in respect of which the company holds no security other than the debtor personal security		-
Bill receivables considered doubtful or bad		-
Bill receivables due by any director or other officer of the company		-
Bill receivables due by Common management		-
The maximum amount of Bill receivables due by any director or other officer of the company		-

Note's No.	Particulars	Amount in Taka	
		31-Dec-2025	30-June-2025
Aging table of Bill receivables:			
	Particulars	31-Dec-2025	30 June 2025
	Within 3 months	41,100,000	10,389,685
	Within 3 to 6 months	12,361,619	36,836,158
	More than 6 months		-
	Total	53,461,619	47,225,843
7.00	Advance, Deposits & Prepayment		
	Advance for LC Commission	-	274,295
	Advance Income Tax 7.01	5,315,082	12,909,371
	Advance to Parties	59,858,668	62,934,414
	Advance Insurance	-	303,084
	Total	65,173,750	76,421,164
7.01	Advance Income Tax		
	Opening balance	12,909,371	12,700,889
	Add: Addition during the period 7.02	5,315,082	12,909,371
		18,224,453	25,610,260
	Less: Adjustment during the period	12,909,371	12,700,889
	Total	5,315,082	12,909,371
7.02	Addition during the period		
	AIT on export proceeds	5,205,282	9,722,611
	AIT on Cash Incentive	109,800	3,186,760
	Total	5,315,082	12,909,371
8.00	Cash & Cash equivalents		
	Cash in hand	1,352,184	8,553,426
	Cash at bank 8.01	201,162,008	186,857,607
	Total	202,514,192	195,411,033
8.01	Cash & Bank		
	Dutch Bangla Bank Ltd. (CD-17461)	3,382	1,583
	Shahjalal Islami Bank Ltd. (CD-0752)	-	4,449
	Shahjalal Islami Bank Ltd. (FC-0012)	199,926,965	186,404,675
	Shahjalal Islami Bank Ltd. (SND-0074)	3,647	5,162
	Al-Arafah Islami Bank Ltd. (CD- 8124)	456,242	7,618
	Al-Arafah Islami Bank Ltd. (FC- 374)	771,772	434,120
	Total	201,162,008	186,857,607
9.00	Share Capital		
	Authorized capital		
	50,000,000 ordinary shares of Taka 10 each	500,000,000	500,000,000
	As of December 31, 2025, the 5,000,000 ordinary shares of Tk 100 each have been subdivided into 50,000,000 shares of a smaller denomination, with Tk 10 paid up per share, corresponding to the reduced nominal value of each share.		

Issued,Subscribed and Paid up Capital:

Name of Shareholder	No of shares-31-Dec-2025	New Share allotment (Cash and stock dividend)	Total Share-31-Dec-2025	BDT per Share	Amount in BDT	
Md. Zakir Hossain Patwary	14,380,800	-	14,380,800	10	143,808,000	143,808,000
Md. Billal Hossain	9,587,200	-	9,587,200	10	95,872,000	95,872,000
Md. Kamrul Alam	7,989,340	-	7,989,340	10	79,893,400	79,893,400
Other Shareholders	1,905,280	-	1,905,280	10	19,052,800	19,052,800
	33,862,620	-	33,862,620	10	338,626,200	338,626,200

Note's No.	Particulars	Amount in Taka	
		31-Dec-2025	30-June-2025
10.00	Retained earnings		
	Opening balance	166,005,349	107,704,659
	Add: Net Profit/(Loss) after tax	27,768,406	53,935,964
	Add: Depreciation Charge on Revalued Assets	2,073,245	4,364,727
	Total	195,847,001	166,005,349
11.00	Revaluation Reserve		
	On February 29, 2024, Masih Muhith Haque & Co., Chartered Accountants, conducted a revaluation process. The initial valuations for Land and Land Development, and Building were Tk 37,110,784 and Tk 173,512,804, respectively. After revaluation, these assets were reassessed at Tk 421,887,000 and Tk 262,286,902, reflecting substantial increases of Tk 384,776,216 and Tk 88,774,098 in value. Additionally, a revaluation reserve was established, accounting for tax adjustments.		
	Opening Balance	400,038,011	402,554,756
	Revaluation Reserve on Land	-	-
	Less: Deferred tax Liabilities on Land Valuation	-	-
	Revaluation Reserve on Building	-	-
	Less: Deferred Tax Liabilities on Building Valuation	-	-
	Deferred Tax as Income on Revalued Assets	248,789	1,847,981
	Less: Transfer of Depreciation on Revaluation Reserves through Depreciation	(2,073,245)	(4,364,727)
	Total	398,213,555	400,038,011
12.00	Long Term Loan		
	Shahjalal Islami Bank (HPSM):		-
	Al-Arafah Islami Bank Ltd (HPSM)	41,126,514	47,366,593
	Total	41,126,514	47,366,593
12.01	Non-Current Portion:		
	Shahjalal Islami Bank (HPSM):	-	-
	Al-Arafah Islami Bank Ltd (HPSM)	31,337,645	30,546,639
	Total	31,337,645	30,546,639
12.02	Current Portion:		
	Shahjalal Islami Bank (HPSM)	-	-
	Al-Arafah Islami Bank Ltd (HPSM)	9,788,869	16,819,954
	Total	9,788,869	16,819,954
13.00	Deferred income		
	Opening Balance	25,567,514	28,408,349
	Less: Amortization charged during the period	1,278,376	2,840,835
	Total	24,289,138	25,567,514

This agreement concerns the disbursement of funds from the Export Readiness Fund as part of the Export Competitiveness for Jobs (EC4J) Project, implemented by the Ministry of Commerce, Government of the People's Republic of Bangladesh, and financially supported by the World Bank.

Recognition of grant income is contingent upon a reasonable assurance that the organization will adhere to the stipulated conditions and that the funds will be received. It is imperative to ensure that the recognition and measurement adhere to the principles articulated in IAS 20.

These assets, acquired under the name of Royal Footwear Limited, are non-transferable to the donor. In the current period, depreciation charges for these assets amounted to BDT 1,278,376, resulting in a written-down value of BDT 24,289,138 for the plant and machinery.

Note's No.	Particulars	Amount in Taka																																				
		31-Dec-2025	30-June-2025																																			
14.00	Deferred Tax Liabilities																																					
	Balance on historical cost	6,998,790	6,302,480																																			
	Add: Deferred tax expense/(Income) during the period 14.01	531,940	696,310																																			
	Add: Deferred tax liability for Revalued Assets 14.02	67,419,220	67,668,009																																			
	Total	74,949,950	74,666,799																																			
14.01	Deferred Tax on historical Cost																																					
	<table><tr><th>Property, Plant & Equipment's other than Land and Land Development</th><th>Carrying amount</th><th>Tax base</th><th>Difference</th><th>Difference</th></tr><tr><td></td><td>290,756,826</td><td>228,000,743</td><td>62,756,084</td><td>58,323,248</td></tr><tr><td>Applicable Rate</td><td></td><td>-</td><td>12%</td><td>12%</td></tr><tr><td>Deferred tax liability (on historical cost)</td><td></td><td>-</td><td>7,530,730.06</td><td>6,998,790</td></tr><tr><td>Deferred tax liability Opening</td><td></td><td>-</td><td>6,998,790</td><td>6,302,480</td></tr><tr><td>Deferred tax (income)/Expense for the period</td><td></td><td>-</td><td>531,940</td><td>696,310</td></tr></table>	Property, Plant & Equipment's other than Land and Land Development	Carrying amount	Tax base	Difference	Difference		290,756,826	228,000,743	62,756,084	58,323,248	Applicable Rate		-	12%	12%	Deferred tax liability (on historical cost)		-	7,530,730.06	6,998,790	Deferred tax liability Opening		-	6,998,790	6,302,480	Deferred tax (income)/Expense for the period		-	531,940	696,310							
Property, Plant & Equipment's other than Land and Land Development	Carrying amount	Tax base	Difference	Difference																																		
	290,756,826	228,000,743	62,756,084	58,323,248																																		
Applicable Rate		-	12%	12%																																		
Deferred tax liability (on historical cost)		-	7,530,730.06	6,998,790																																		
Deferred tax liability Opening		-	6,998,790	6,302,480																																		
Deferred tax (income)/Expense for the period		-	531,940	696,310																																		
	Deferred Tax liability for the year is arrived as under:																																					
	Deferred Tax (Income)/Expense on historical cost	531,940	696,310																																			
	Total	531,940	696,310																																			
14.02	Deferred Tax Liability on Revaluation of Land & land development and Building																																					
	Opening Balance	67,668,009	69,515,990																																			
	Adjust of Deferred tax on revalued surplus		-																																			
	Deferred tax impact on carrying amount	(248,789)	(1,847,981)																																			
	Deferred tax liability for Revaluated Assets	67,419,220	67,668,009																																			
	<table><tr><th>Particulars</th><th>Accounting Base</th><th>Tax Base</th><th>Deferred Tax (Assets)/ Liabilities as on 31-12-2025</th><th>Deferred Tax (Assets)/ Liabilities as on 30-06-2025</th></tr><tr><td>Land & Land Development</td><td>384,776,216</td><td>-</td><td>57,716,432</td><td>57,716,432</td></tr><tr><td>Building</td><td>80,856,558</td><td>-</td><td>9,702,787</td><td>9,951,576</td></tr><tr><td>Closing Deferred Tax Liability</td><td></td><td></td><td>67,419,220</td><td>67,668,008</td></tr><tr><td>Closing Deferred Tax (Asset)/ Liability</td><td></td><td></td><td>67,419,220</td><td>67,668,008</td></tr><tr><td>Opening Deferred Tax (Asset)/ Liability</td><td></td><td></td><td>67,668,008</td><td>69,515,990</td></tr><tr><td>Deferred tax impact on carrying amount</td><td></td><td></td><td>(248,789)</td><td>(1,847,982)</td></tr></table>	Particulars	Accounting Base	Tax Base	Deferred Tax (Assets)/ Liabilities as on 31-12-2025	Deferred Tax (Assets)/ Liabilities as on 30-06-2025	Land & Land Development	384,776,216	-	57,716,432	57,716,432	Building	80,856,558	-	9,702,787	9,951,576	Closing Deferred Tax Liability			67,419,220	67,668,008	Closing Deferred Tax (Asset)/ Liability			67,419,220	67,668,008	Opening Deferred Tax (Asset)/ Liability			67,668,008	69,515,990	Deferred tax impact on carrying amount			(248,789)	(1,847,982)		
Particulars	Accounting Base	Tax Base	Deferred Tax (Assets)/ Liabilities as on 31-12-2025	Deferred Tax (Assets)/ Liabilities as on 30-06-2025																																		
Land & Land Development	384,776,216	-	57,716,432	57,716,432																																		
Building	80,856,558	-	9,702,787	9,951,576																																		
Closing Deferred Tax Liability			67,419,220	67,668,008																																		
Closing Deferred Tax (Asset)/ Liability			67,419,220	67,668,008																																		
Opening Deferred Tax (Asset)/ Liability			67,668,008	69,515,990																																		
Deferred tax impact on carrying amount			(248,789)	(1,847,982)																																		
15.00	Short Term Loan																																					
	Shahjalal Islami Bank Ltd (EDF)	228,122,293	292,583,954																																			
	Shahjalal Islami Bank Ltd (BAI-Salam)	5,120,796	22,415,357																																			
	Shahjalal Islami Bank Ltd CC (Bai-Muazzal / Commercial)	51,889,290	51,873,656																																			
	Shahjalal Islami Bank Ltd (Quard) /Wages	19,350,000	9,900,000																																			
	Al-Arafah Islami Bank Ltd (EDF)	194,755,055	246,438,753																																			
	Al-Arafah Islami Bank Ltd (Bai -Salam)	4,111,500	13,079,667																																			
	Al-Arafah Islami Bank Ltd (Bai-Muazzal)	11,498,486	11,473,138																																			
	Al-Arafah Islami Bank Ltd (Quard)	1,455,000	11,473,138																																			
	Total	516,302,420	647,764,525																																			

Note's No.	Particulars	Amount in Taka	
		31-Dec-2025	30-June-2025
16.00	Accounts Payable		
	Trade Payable	2,799,719	6,155,200
	Total	2,799,719	6,155,200
	Particulars	31-Dec-2025	30-June-2025
	Within 3 months	2,799,719	6,155,200
	Within 3 to 6 months		-
	More than 6 months		-
		2,799,719	6,155,200
17.00	Liabilities for expenses		
	Audit fees	184,000	184,000
	Salary & Wages Payable	15,563,400	15,282,946
	Office Rent	10,000	-
	Electricity bill and others	1,358,000	1,180,485
	WPPF Payable	9,215,957	7,535,186
	Total	26,331,357	24,182,617
17.01	WPPF Payable		
	Employee welfare fund	921,596	753,519
	Bangladesh workers welfare foundation	921,596	753,519
	Workers profit participation fund	7,372,765	6,028,149
	Total	9,215,957	7,535,187
17.02	Employee welfare fund		
	Opening Balance	753,519	415,810
	Addition during the period	168,077	337,708
	Total	921,596	753,518
17.03	Bangladesh workers welfare foundation		
	Opening Balance	753,519	415,810
	Addition during the period	168,077	337,708
		921,596	753,518
17.04	Workers profit participation fund		
	Opening Balance	6,028,148	3,326,483
	Addition during the period	1,344,617	2,701,666
		7,372,765	6,028,149
18.00	Provision for income tax		
	Opening balance	12,909,371	12,700,889
	Add: Addition during the period	5,315,082	12,909,371
		18,224,453	25,610,260
	Less: Adjustment during the period	12,909,371	12,700,889
		5,315,082	12,909,371

Royal Footwear PLC
Notes to the Interim Financial Statements
For the period ended 31 December 2025

Note's No.	Particulars	Amount in Taka	
		July to Dec-2025	July to Dec-2024
19.00	Revenue		
	Export Revenue	527,850,626	522,022,881
	Income from Grants	1,278,376	1,420,417
		529,129,002	523,443,298
19.01	Income from Grants		
	Amortization of deferred income (depreciation charge during the year)	1,278,376	1,420,417
		1,278,376	1,420,417
20.00	Cost of goods sold		
	Raw Material Consumed	316,800,008	353,163,039
	Factory overhead	126,229,842	141,020,600
	Cost of Production	443,029,850	494,183,639
	Add: Opening Work in Progress	7,069,200	8,123,450
	Less: Closing Work in progress	6,911,300	7,912,400
	Cost of goods manufactured	443,187,750	494,394,689
	Add: Opening finished goods	78,721,900	56,787,892
	Less: Closing finished goods	69,569,766	99,917,018
	Less: Sample Expenses	123,400	261,400
	Cost of goods sold	452,216,484	451,004,163
20.01	Raw and Packing Materials		
	Opening Stock	529,695,018	389,532,009
	Add: Purchase	219,774,915	253,524,959
	Less: Closing Stock	432,669,925	289,893,929
		316,800,008	353,163,039
20.02	Factory overhead		
	Salaries, Bonus and Wages	100,123,000	110,277,700
	Goods Carriage Expense	201,600	302,180
	Depreciation	15,106,116	16,822,223
	Electricity bill	7,659,220	9,120,458
	Entertainment	105,600	102,540
	Insurance Premium	224,125	1,266,736
	Stationery	150,100	144,000
	Spare parts	60,500	60,100
	Fuel expenses	269,793	285,300
	Telephone, Telex, Fax, Mobile	101,000	112,000
	Conveyance Expenses	142,300	170,000
	Shipping Bill Expenses	1,526,088	1,821,963
	Worker welfare expense	480,200	460,100
	Maintenance Expenses	80,200	75,300
		126,229,842	141,020,600
21.00	Administrative, Selling & Distribution Expense		
	Salary, Bonus & Allowances	13,921,800	15,849,800
	Stationery	147,200	160,200
	Conveyance exp.	620,500	709,400
	Stamps	8,010	10,500
	Office Rent	60,000	-
	Audit Fees	184,000	-
	Depreciation	131,521	146,134

Note's No.	Particulars	Amount in Taka	
		July to Dec-2025	July to Dec-2024
	News paper expense	3,400	4,500
	Internet bill	18,500	27,600
	Telephone, Telex and Fax	5,503	4,120
	Medical expenses	40,200	50,600
	Miscellaneous expenses	3,600	3,500
	Utility bill	239,425	317,748
	Entertainment expenses	80,600	94,100
	Utilization permission of Bond	142,000	115,600
	License renewal Expenses	659,475	590,179
	Fuel Expenses	201,000	286,019
	Sample Expenses	123,400	261,400
	Employee Welfare Expenses	201,400	202,300
	Mobile Allowance	55,300	96,300
	FC charge/LC realization Charge	823,056	
	Maintenance Expenses	65,400	70,200
	Export expenses	1,261,652	1,080,200
	Daily labor expense	111,000	260,200
		19,107,942	20,340,600
22.00	Finance cost		
	Interest on bank loan	23,057,068	19,575,258
	Bank Charges and others	669,307	-
		23,726,375	19,575,258
23.00	Other Income		
	Cash Incentive from Export	1,098,000	7,271,340
	Land Rent Income	120,000	120,000
		1,218,000	7,391,340
24.00	Income tax expense		
	Income tax Expenses	5,315,082	6,208,374
		5,315,082	6,208,374
24.01	Basis of Calculation:		
	Profit from operation before tax	33,615,429	38,013,921
	Add: Inadmissible Expenses	-	-
	Accounting Depreciation for separate consideration	15,237,637	16,968,357
		48,853,065	54,982,279
	Less: Admissible Expenses		
	Depreciation as per 3rd Schedule	17,597,227	21,029,511
	Taxable Income from Business	31,255,838	33,952,768
	Income from Cash Incentive	1,098,000	7,271,340
		30,157,838	26,681,428
	Income tax rate	A	12%
	Minimum tax on gross receipts (1%/25*12)=0.48%	B	0.50%
	Tax deducted at source (AIT)	C	
	Income tax liability for the period (Whichever is higher one among A,B & C)	5,205,282	
	AIT on Cash Incentive (Final Tax U/S 163)	109,800	
	Income tax liability for the period	5,315,082	6,208,374
As per S.R.O. No. 44-Law/Tax-25/2024, dated March 4, 2024, issued under Section 76(1)(Kha) of the Income Tax Act, 2023 (Act No. 12), the applicable tax rate has been adopted.			
24.02	Deferred Tax Calculation		
	Carrying amount of PPE	290,756,826	318,707,212
	Less: Tax Base of PPE	228,000,743	266,627,480

Note's No.	Particulars	Amount in Taka	
		July to Dec-2025	July to Dec-2024
	Temporary Difference for Calculating Deferred Tax	62,756,085	52,079,732
	Deferred Tax from Operation for the period	7,530,730	6,249,568
	Deferred Tax Liability (on historical cost)	7,530,730	6,249,568
	Deferred Tax Liability Opening	6,998,790	6,302,480
	Deferred Tax (Income)/Expenses	531,940	(52,912)
25.00	Earning Per Share (EPS)		
	Net profit after tax for the period	27,768,406	31,858,459
	Number of ordinary Shares	33,862,620	33,862,620
	Earning Per Share without other comprehensive income	0.82	0.94
26.00	Net Asset Value Per Share (NAVPS)		
	Assets	1,623,800,937	1,532,598,105
	Liabilities	(691,114,180)	(650,267,934)
	Net Asset	932,686,757	882,330,171
	Number of Ordinary Shares	33,862,620	33,862,620
	Net Asset Value (NAV) per share	27.54	26.06
26.01	Net Asset Value Per Share (NAVPS) Without Revaluation		
	Assets	1,623,800,937	1,532,598,105
	Liabilities	(691,114,180)	(650,267,934)
	Revaluation Reserve	(398,213,555)	(401,958,490)
	Net Asset	534,473,202	480,371,681
	Number of Ordinary Shares	33,862,620	33,862,620
	Net Asset Value (NAV) per share	15.78	14.19
27.00	Net Operating Cash Flow Per Share (NOCFPS)		
	Net cash generated from Operating Activities	52,386,358	18,995,276
	Number of Ordinary Shares	33,862,620	33,862,620
	Net Operating Cash Flow Per Share (NOCFPS)	1.55	0.56
28.00	Reconciliation of net profit with cash flows from operating activities		
	Net profit after tax	27,768,406	31,858,459
	Depreciation	15,237,636	16,968,357
	Foreign exchanges loss	-	-
	Finance cost	23,726,375	19,575,258
	(Increase)/Decrease in Inventories	106,335,127	56,720,004
	(Increase)/Decrease in Trade Receivable	(6,235,776)	(83,809,350)
	(Increase)/Decrease in Deferred Income	(1,278,376)	(1,420,417)
	(Increase)/Decrease in Advance Deposit & Pre-Payments	11,247,414	6,492,515
	Increase/(Decrease) in operational Liability	(116,145,359)	-
	Increase/(Decrease) in Accounts Payable	(3,355,481)	(5,447,515)
	Increase/(Decrease) in Liabilities for Expenses	2,148,740	(15,396,608)
	Increase/(Decrease) in Provision for income tax	(7,594,289)	(6,492,515)
	Increase/(Decrease) in Deferred Tax Liabilities	531,940	(52,912)
		52,386,358	18,995,276

29.00 Information as per Companies Act, 1994

Attendance Status of Board Meeting of Directors

During the year, 2 Board Meetings were held. The attendance status of the meetings are as follows:

Name of Directors	Position	Meeting Held
Mohammad Zakir Hossain Patowary	Chairman	2
Billal Hossain	Managing Director	2
Md. Kamrul Alam	Director	2

Note's No.	Particulars	Amount in Taka	
		July to Dec-2025	July to Dec-2024

30.00 Related Party Transaction

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions and their total value have been set in accordance with the provisions of IAS-24.

Name of the Companies	Nature of Transaction	Nature of Relationship	Amount in BDT
Al- Madina Pharmaceuticals Ltd.	Factory Land Rent	Common Directors	120,000
Al- Madina Pharmaceuticals Ltd.	Electricity Bill Payment	Common Directors	7,659,220

31.00 Employee position of Al Royal Footwear PLC as per requirement of schedule XI, part II, Para-3

As of 31 December 2025, the company had employee 876. It's worth mentioning that every employee received an annual salary surpassing Tk. 33,240.

Schedule- I

Royal Footwear PLC
Schedule of Property, Plant & Equipment
As at 31-Dec-2025

a) At Cost

Particulars	Cost					Rate of dep.	Depreciation			Written Down Value as on 31.12. 2025
	Opening balance 01 July 2025	Additions during the period	Revaluation Reserve	Disposal	Closing balance 31.Dec.2025		Opening balance 01 July 2025	Charged during the period	Closing balance 31.Dec.2025	
Land and land development	37,110,784	-		-	37,110,784		-	-	-	37,110,784
Factory Building and construction	194,525,441	-		-	194,525,441	5%	32,530,297	4,049,879	36,580,176	157,945,265
Plant & Machineries	258,219,557			-	258,219,557	10%-15%	122,869,531	8,785,711	131,655,242	126,564,315
Furniture & Fixtures	5,307,150	-		-	5,307,150	10%	1,759,541	177,380	1,936,921	3,370,229
Electric Installation	2,990,235	-		-	2,990,235	10%	1,031,429	97,940	1,129,369	1,860,866
Office Equipment	2,675,380	-		-	2,675,380	10%	1,605,747	53,482	1,659,229	1,016,151
Sub Total	500,828,547	-	-	-	500,828,547		159,796,545	13,164,392	172,960,937	327,867,610

b) At Revaluation

Land and land development	384,776,216				384,776,216		-	-	-	384,776,216
Factory Building and construction	88,774,098				88,774,098	5%	5,844,295	2,073,245	7,917,540	80,856,558
Sub Total	473,550,314				473,550,314		5,844,295	2,073,245	7,917,540	465,632,774
Balance as on 31.12.2025 (a+b)	974,378,861				974,378,861		165,640,840	15,237,637	180,878,477	793,500,384
Balance as on 30.06.2025	974,378,861	-		-	974,378,861		131,704,124	33,936,715	165,640,840	808,738,021

Land have been given mortgage 232.73 out of 335.46 Decimal to Shahjalal Islami Bank against EDF, Bai Islam, Bai Muazzal loan.

This agreement pertains to the disbursement of grants allocated for the Export Readiness Fund under the umbrella of the Export Competitiveness for Jobs (EC4J) Project. The execution of this project falls under the jurisdiction of the Ministry of Commerce, Government of the People's Republic of Bangladesh, with financial backing from the World Bank.

Recognition of grant income is contingent upon the reasonable assurance that the organization will adhere to the specified grant conditions, and the funds will be received. It is crucial to ensure that recognition and measurement align with the principles outlined in IAS 20.

In 2024, the granted funds were used to acquire plant and machinery amounting to BDT 34,325,947. These assets, acquired under the name of Royal Footwear Limited, are non-transferable to the donor. Depreciation charges for these assets amounted to BDT 1,278,376, resulting in a written-down value of BDT 24,289,138 for the plant and machinery.

Note:

1) Depreciation has been charged on reducing balance method.

2) Depreciation has been charged to:

Factory overhead	15,106,116
Administrative expenses	131,521
Total	15,237,637

(b) Information as is required under section 186 of the Companies Act, 1994 relating to holding company:

This information does not apply to Royal Footwear PLC as it has no holding company.

(c) Selected ratios as specified in Annexure-D:

Selected ratios as specified in Annexure -D

Auditor's certificate regarding the calculation of EPS and Ratios

This is to certify that the Royal Footwear PLC has maintained the following Ratios as computed based on the audited financial statements for the year ended June 30, 2025, 2024, 2023, 2022 and 2021:

Name of the Ratio	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
I. Liquidity Ratios:					
(i) Current Ratio	1.32	1.32	1.18	0.91	0.91
(ii) Quick Ratio	0.45	0.42	0.57	0.68	0.79
II. Operating Efficiency Ratios:					
(i) Accounts Receivable Turnover Ratio	12.50	9.54	5.93	15.88	10.48
(ii) Inventory Turnover Ratio	1.50	2.81	3.18	10.49	4.78
(iii) Asset Turnover Ratio	0.90	1.31	0.89	1.15	0.71
III. Profitability Ratios:					
(i) Gross Margin Ratio (%)	12.74%	13.83%	14.24%	14.48%	19.83%
(ii) Operating Profit Ratio (%)	9.23%	10.22%	6.93%	3.63%	5.86%
(iii) Net Profit Ratio (%)	5.85%	5.97%	3.96%	1.63%	3.40%
(iv) Return on Assets Ratio (%)	5.27%	7.80%	3.52%	1.87%	2.41%
(v) Return on Equity Ratio (%)	5.96%	7.90%	7.73%	4.37%	25.78%
(vi) Earnings per Share (EPS)	1.59	1.98	1.02	0.53	18.67
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) margin	0.15	0.12	0.12	0.06	0.08
IV. Solvency Ratios:					
(i) Debt to Total Assets Ratio	0.40	0.33	0.46	0.54	0.70
(ii) Debt to Equity Ratio	0.77	0.58	1.22	1.26	3.84
(iii) Times Interest Earned Ratio	2.85	3.92	3.85	3.16	3.54
(iv) Debt Service Coverage Ratio	0.12	0.23	0.11	0.08	0.12
V. Cash Flow Ratios:					
(i) Net Operating Cash Flow per Share (NOCFPS)	4.12	0.32	(5.53)	(3.92)	231.58
(ii) NOCFPS to EPS Ratio	2.59	0.16	(5.44)	(7.38)	12.41

Place: Dhaka

Dated: 06 April 2026

Sd/-
Ahsan Manzur & Co.
Chartered Accountants

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

Comparison ratios with the industry average ratios of the same periods:

There are 2 listed Footwear companies in the capital market. We have considered the following companies for industry average calculation:

1. MK Footwear PLC.
2. Craftsman Footwear & Accessories Ltd.

Particulars	30-Jun-25		30-Jun-24		30-Jun-23		30-Jun-22		30-Jun-21	
	Industry	RFL	Industry	RFL	Industry	RFL	Industry	RFL	Industry	RFL
I. Liquidity Ratios:										
(i) Current Ratio	1.89	1.32	1.94	1.32	1.56	1.19	1.29	0.92	0.94	0.91
(ii) Quick Ratio	0.93	0.45	1.08	0.42	0.83	0.58	0.65	0.69	0.54	0.79
II. Operating Efficiency Ratios:										
(i) Accounts Receivable Turnover Ratio	2.81	12.50	3.26	9.54	4.75	5.93	5.76	15.88	8.36	10.48
(ii) Inventory Turnover Ratio	1.80	1.50	2.15	2.81	2.48	3.18	2.67	10.49	2.71	4.78
(iii) Asset Turnover Ratio	0.55	0.90	0.57	1.31	0.63	0.89	0.53	1.15	0.21	0.71
III. Profitability Ratios:										
(i) Gross Margin Ratio	18.85%	12.74%	16.75%	13.83%	15.69%	14.24%	20.50%	14.48%	23.45%	19.83%
(ii) Operating Profit Ratio	8.70%	9.23%	3.22%	10.22%	2.48%	6.93%	12.65%	3.63%	4.41%	5.86%
(iii) Net Profit Ratio	8.38%	5.85%	6.15%	5.97%	5.38%	3.96%	9.25%	1.63%	2.70%	3.40%
(iv) Return on Assets Ratio	4.03%	5.27%	3.76%	7.80%	3.51%	3.52%	4.74%	1.87%	0.52%	2.41%
(v) Return on Equity Ratio	11.21%	5.96%	10.34%	7.90%	11.79%	7.73%	18.97%	4.37%	2.44%	25.78%
(vi) Earnings Per Share (EPS)	1.69	1.59	1.57	1.98	1.71	1.02	2.55	0.53	5.46	18.67
(vii) Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	0.31	0.15	0.29	0.12	0.25	0.12	0.30	0.06	0.33	0.08
IV. Solvency Ratios:										
(i) Debt to Total Assets Ratio	0.61	0.40	0.62	0.33	0.64	0.46	0.68	0.54	0.73	0.70

Particulars	30-Jun-25		30-Jun-24		30-Jun-23		30-Jun-22		30-Jun-21	
	Industry	RFL	Industry	RFL	Industry	RFL	Industry	RFL	Industry	RFL
(ii) Debt to Equity Ratio	1.72	0.77	1.81	0.58	1.88	1.22	2.75	1.26	3.67	3.84
(iii) Times Interest Earned Ratio	1.78	2.85	2.06	3.92	1.73	3.85	1.66	3.16	1.35	3.54
(v) Debt Service Coverage Ratio	0.11	0.12	0.07	0.12	0.04	0.12	0.19	0.06	0.07	0.08
V. Cash Flow Ratios:										
(i) Net Operating Cash Flow Per Share (NOCFS)	0.85	4.12	0.42	0.32	2.50	(5.53)	(5.13)	(3.29)	(0.59)	231.58
(ii) NOCFPS to EPS Ratio	0.60	2.59	0.39	0.16	2.15	(5.44)	(2.84)	(6.18)	(0.43)	12.41

1. Liquidity Ratios

RFL has demonstrated steady improvement in liquidity management over the years, reflecting a disciplined approach to short-term financial health. While the Current Ratio for RFL in 2025 stood at 1.32 against the industry's 1.89, it has risen consistently from 0.91 in 2021, crossing the vital threshold of 1 and indicating growing stability. The Quick Ratio of 0.45, though below the industry's 0.93, has remained stable and reflects RFL's efficient inventory-driven model rather than a reliance on idle liquid assets. This consistency underscores RFL's ability to meet obligations without holding excessive unproductive cash, showcasing prudent working capital management.

2. Efficiency Ratios

RFL has consistently outperformed the industry in key efficiency metrics, demonstrating world-class receivables management. The Accounts Receivable Turnover Ratio of 12.50 in 2025 is exceptionally strong compared to the industry's 2.81, highlighting RFL's superior ability to collect payments quickly and manage credit terms effectively. The Asset Turnover Ratio of 0.90 in 2025 also exceeds the industry's 0.55, proving that RFL generates more revenue from every unit of asset employed. Even though the Inventory Turnover Ratio moderated to 1.50 in 2025, this follows a remarkable 10.49 in 2022 and reflects strategic inventory positioning rather than inefficiency. Overall, RFL leads the industry in asset utilization and receivables efficiency.

3. Profitability Ratios

RFL has built a resilient and balanced profitability profile, with several encouraging strengths. In 2025, RFL's Operating Profit Ratio of 9.23% surpassed the industry's 8.70%, demonstrating strong control over operating expenses and core business efficiency. Return on Assets (ROA) of 5.27% also exceeded the industry's 4.03%, proving that RFL generates superior returns from its asset base. While the Gross Margin of 12.74% trailed the industry's 18.85%, RFL has maintained stable margins over five years, reflecting consistency. Earnings Per Share (EPS) of 1.59 remained close to the industry's 1.69, and the company has delivered positive EPS every single year—a testament to its enduring profitability even in challenging market conditions.

4. Solvency Ratios

RFL has managed debt exceptionally well, maintaining a conservative and prudent leverage profile that enhances long-term financial stability. In 2025, RFL's Debt to Total Assets Ratio of 0.40 was significantly lower than the industry's 0.61, and its Debt to Equity Ratio of 0.77 was less than half of the industry's 1.72, indicating that RFL relies far less on risky debt financing than its peers. The Times Interest Earned Ratio of 2.85 exceeded the industry's 1.78, showing that RFL comfortably covers its interest obligations with operating profits. This disciplined approach to leverage positions RFL as a low-risk, financially secure company with ample capacity to weather economic uncertainties.

5. Cash Flow Ratios

RFL has achieved a remarkable turnaround in cash flow generation, emerging as a cash flow leader in 2025. Net Operating Cash Flow Per Share (NOCFPS) for RFL reached 4.12, far surpassing the industry's 0.85—a dramatic improvement from previous years and a clear sign of strengthening operational efficiency. Even more impressive, the NOCFPS to EPS Ratio of 2.59 exceeded the industry's 0.60, meaning RFL generates more than two and a half times its reported earnings in actual cash. This indicates exceptionally high-quality, non-volatile earnings and a robust ability to fund growth, reduce debt, or pay dividends from internal cash flows. RFL has transformed cash flow from a past challenge into a distinct competitive advantage.

6. Conclusion

RFL presents a compelling story of financial discipline, operational excellence, and improving fundamentals. The company leads the industry in receivables turnover, asset turnover, operating profit ratio, return on assets, and—most notably—operating cash flow generation. Its conservative debt management provides a strong buffer against economic downturns, while consistent profitability and positive EPS every year reflect resilience. Although liquidity ratios trail industry averages, RFL has shown steady improvement, and its cash-rich operations in 2025 more than compensate. With continued focus on optimizing inventory and gross margins, RFL is well-positioned to sustain its upward trajectory and deliver long-term value to stakeholders.

Comparative Income Statements and Balance Sheets for Five Accounting Years:

A) The Balance Sheet of the company is as follows:

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023	30-Jun-2022	30-Jun-2021
Non- Current Assets						
Property, Plant and Equipment	793,500,384	808,738,021	842,674,736	350,225,593	312,456,570	126,398,066
Preliminary Expenses	-	-	-	-	25,000	-
	793,500,384	808,738,021	842,674,736	350,225,593	312,481,570	126,398,066
Current Assets						
Inventories	509,150,991	615,486,118	454,443,351	234,992,761	85,706,083	35,487,614
Deferred Tax Asset	-	-	-	-	-	1,855,241
Bills Receivable	53,461,619	47,225,843	100,318,050	135,227,494	65,453,953	28,130,387
Advance, Deposits & Pre-Payment	65,173,750	76,421,164	12,700,889	27,620,288	18,286,137	4,328,715
Un-Allocated Revenue Expenditure	-	-	-	-	609,369	-
Cash & Cash Equivalents	202,514,192	195,411,033	102,897,668	60,373,470	168,811,618	199,063,165
	830,300,553	934,544,158	670,359,958	458,214,013	338,867,160	268,865,122
Total Asset	1,623,800,937	1,743,282,179	1,513,034,694	808,439,606	651,348,730	395,263,188
Shareholders' Equity & Liabilities						
Equity Attributable to the owners of the Company						
Share Capital	338,626,200	338,626,200	338,626,200	232,049,900	227,500,000	10,000,000
Retained Earnings	195,847,002	166,005,349	107,704,659	72,974,229	49,383,965	62,407,915
Revaluation Reserve	398,213,555	400,038,011	402,554,756	-	-	-
	932,686,757	904,669,560	848,885,615	305,024,129	276,883,965	72,407,915
Non-Currents Liabilities						
Long Term Loan-Non-Current Portion	31,337,645	30,546,639	51,807,500	9,821,148	2,571,455	27,442,326
Capital Bill Borrowing	-	-	-	77,030,000	-	-
Deferred Income	24,289,138	25,567,514	28,408,349	27,710,534	-	-
Deferred Tax Liabilities	74,949,950	74,666,799	75,818,469	-	-	-
	130,576,733	130,780,952	156,034,319	114,561,682	2,571,455	27,442,326

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023	30-Jun-2022	30-Jun-2021
Current Liabilities						
Short-Term Bank Loans	516,302,420	647,764,525	439,040,905	355,073,465	341,623,512	250,781,214
Long-term Loan- Current Portion	9,788,869	16,819,954	4,202,606	5,973,467	4,492,078	-
Deferred Tax Liabilities	-	-	-	2,898,463	741,155	-
Accounts Payable	2,799,719	6,155,200	9,312,001	5,130,500	10,622,719	20,509,405
Liabilities for Expenses	26,331,357	24,182,617	42,858,359	13,654,900	10,902,494	21,131,923
Provision for Income Tax	5,315,082	12,909,371	12,700,889	6,123,000	3,511,352	2,990,405
	560,537,447	707,831,667	508,114,760	388,853,795	371,893,310	295,412,947
Total Liabilities	691,114,180	838,612,619	664,149,079	503,415,477	374,464,765	322,855,273
Total Shareholders' Equity & Liabilities	1,623,800,937	1,743,282,179	1,513,034,694	808,439,606	651,348,730	395,263,188
Net Asset Value Per Share (NAVPS) with revaluation	27.54	26.72	25.07	13.14	12.17	72.41
Net Asset Value Per Share (NAVPS) without revaluation	15.78	14.90	13.18	13.14	12.17	72.41

- The company has subdivided the face value of its shares from Tk. 100 to Tk. 10 following a decision made at its Board Meeting held on June 23, 2024.

B) The Profit and Loss Account of the company is as follows:

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023	30-Jun-2022	30-Jun-2021
Revenue	529,129,002	922,376,006	1,123,160,579	595,353,601	743,146,733	549,663,003
Less: Cost of goods sold	452,216,484	804,824,141	967,865,070	510,571,831	635,567,226	440,663,684
Gross Profit/Loss	76,912,518	117,551,865	155,295,509	84,781,770	107,579,507	108,999,319
Less: Administrative Expense, Selling and Distribution Expense	19,107,942	32,388,422	40,480,510	43,494,580	80,573,239	76,794,547
Profit from Operations	57,804,576	85,163,443	114,814,999	41,287,190	27,006,268	32,204,772
Less: Other Expense	-	366,278	5,922,000	-	-	-
Add: Other Income	1,218,000	33,628,600	11,754,000	8,672,000	3,782,700	-
Less: Finance Cost	23,726,375	47,507,038	33,326,828	18,088,619	14,443,909	12,404,595
Net Profit / (Loss) before WPPF	35,296,200	70,918,727	87,320,171	31,870,571	16,345,059	19,800,177

Particulars	31-Dec-2025	30-Jun-2025	30-Jun-2024	30-Jun-2023	30-Jun-2022	30-Jun-2021
Less: Workers Profit Participation Funds	1,680,771	3,377,082	4,158,103	-	-	-
Net Profit / (Loss) before Tax	33,615,429	67,541,645	83,162,068	31,870,571	16,345,059	19,800,177
Less: Income Tax Expense	5,315,082	12,909,371	12,700,889	6,123,000	3,511,352	2,990,405
Add/Less: Deferred Tax (Income)/Expenses	531,940	696,310	3,404,017	2,157,308	741,155	1,855,241
Net Profit/(Loss) after Taxation	27,768,406	53,935,964	67,057,162	23,590,263	12,092,552	18,665,013
Other Comprehensive Income						
Revaluation reserve during the year	248,789	(1,847,981)	473,550,314	-	-	-
Total Comprehensive Income	28,017,195	55,783,945	540,607,476	23,590,263	12,092,552	18,665,013
Earnings Per Share (EPS)	0.82	1.59	2.34*	0.89*	5.21	186.65

*Diluted EPS, and the company has subdivided the face value of its shares from Tk. 100 to Tk. 10 following a decision made at its Board Meeting held on June 23, 2024.

SECTION - XVII

OTHERS

Royal Footwear was honored with the Silver Award in the National Export Trophy for the fiscal year 2018–2019, recognizing its outstanding contribution to Bangladesh’s export sector.



Some of our products are shown below:

KID'S FOOTWEAR		
		
		
		
		
		
		

MAN'S FOOTWEAR		
		
		
		
		
		
		

WOMEN'S FOOTWEAR		
		
		
		
		

