



Annexure A

Envoy Textiles Limited Principles on Disclosure of Material Information and Price Sensitive Information

1. Envoy Textiles Limited is committed to complying with all relevant securities laws and regulations in Bangladesh, including the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022 (hereinafter referred to as ‘the Insider Trading Rules’).
2. All information that is material and price-sensitive shall be disclosed to the public in a timely, accurate, and complete manner as per rule 3(3) of the Insider Trading Rules.
3. Price-sensitive information will include the following (as per rule 3(1) of the Insider Trading Rules):
 - (i) Reports relating to financial condition of the company, results of such financial conditions and other related fundamental information;
 - (ii) Information relating to dividend and corporate announcements;
 - (iii) Information relating to changes in corporate structure, e.g., amalgamation, demerger, acquisition, dissolution, transformation or transfer;
 - (iv) Information relating to changes in capital structure;
 - (v) Information relating to expansion of business or changes etc.;
 - (vi) Information relating to fund management and changes in fund structure;
 - (vii) Any information labelled as price sensitive information by rules or regulations or orders or directives or notifications promulgated or approved or issued by Bangladesh Securities and Exchange Commission (‘the Commission’).
 - (viii) Any other information published in the official gazette by the Commission from time to time.
4. In disclosing the price sensitive information, the company will strictly follow Rule 6 of the Insider Trading Rules, that is to say:

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- (1) The company will immediately disseminate any material or price-sensitive decision, or information required for the approval of the Commission, within two hours of making the decision or immediately after the information becomes available. The information will be signed by the Chairman, CEO, or Secretary of the company and sent to the Commission and the relevant stock exchange via email, fax, digital submission platform, or special messenger service. The company will also ensure that the same information is published in two daily newspapers (one in Bengali and the other in English) and an online newspaper, as well as on its website.
 - (2) The company shall not publish any false or misleading information that may affect the value of the security; nor shall it induce any person to supply or publish any false or misleading information.
 - (3) The date and time of the decision taken by the company, or the date on which the information becomes available, shall be mentioned in the information disseminated or published as aforesaid.
 - (4) If an issue relating to price sensitive information is sent by the company for approval from the Commission, the company shall mention it in its declaration of price sensitive information, and shall ensure publication of the price sensitive information again within 2 (two) hours of obtaining approval/decision on the issue, in a manner prescribed in clause (1) above.
 - (5) Easy and comprehensible language will be used for the publication of sensitive information, in order to avoid any exaggeration of any kind.
 - (6) The company shall store the occurrence and sequence of events related to price sensitive information in a digital database.
5. Material information are information that are likely to affect the investment decision of any rational investor, and will include the following (as per Schedule-Ka to the Insider Trading Rules):

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- (1) Impetus relating to changes in financial conditions, e.g.-
- (a) changes in financial statement, e.g.- material increase/decrease of income, expenditure, cash flow, receivables or wealth and reevaluation of majority or substantial wealth, or any information/statement/comment on such substantial increase/decrease;
 - (b) following comparative information in financial statement:
 - (i) earnings per share
 - (ii) net operating cash Flow per share
 - (iii) net asset value per share
 - (c) substantial changes in the value or composition of assets;
 - (d) any specific directive or change to any previously given instructions related to provisioning by the Commission in respect to the company;
 - (e) any changes in the accounting policy; etc.
- (2) Information related to corporate announcements, such as:
- (a) any decision related to dividend distribution;
 - (b) any decision to provide rights, bonus issue or similar benefits to security holders;
 - (c) corporate announcements or any other information related to entitlements of the investors; and
 - (d) changes in dividend distribution policies, etc.
- (3) Information related to changes in corporate structure, such as:
- (a) acquisition or disposal of any asset that represents 5% or more of the existing assets;
 - (b) merger with another company or acquisition and taking over of substantial shares of any other company;
 - (c) demerger of any unit of the company;
 - (d) transformation or discontinuation of any unit of the company;
 - (e) changes in corporate activities through capital reorganization, merger or division;



- (f) proposal for takeover of any company or acquisition of internal services;
- (g) change of ownership that can influence the control of the company; and
- (h) change of name or address, etc.

(4) Information related to changes in capital structure, such as:

- (a) any decision regarding the securities' private, public or rights offering or change of capital structure;
- (b) planned redemption or repurchase of securities;
- (c) any decision related to share consolidation, share exchange, conversion of any security into equity securities or that of debt securities into shares; and
- (d) significant changes in the rights of security holders.

(5) Information related to the expansion and changes in business activities, such as:

- (a) any significant development or change related to the company's technology, production or infrastructure;
- (b) significant investment or significant change in the company's business objects;
- (c) significant new contracts, production, patents, services or business changes;
- (d) significant collection of any long-term unpaid debt;
- (e) change or resignation or removal of the Chief Executive, CEO, CFO, Company Secretary or the Board of Directors;
- (f) changes in statutory auditors or corporate governance compliance auditors, and credit rating agency;
- (g) initiation of legal proceedings or development in any regulatory issue or any significant judgment or order;
- (h) delisting of securities from the stock exchange or changes from one category to another;
- (i) significant management contracts, investor relation agreements, service agreements, or related party transactions/contracts that can significantly affect the financial statements of the company;
- (j) information related to decisions to buy or sell any fixed asset, or the acquisition, development or expansion of plant or machinery (BMRE) or establishment of new units; and



(k) exchange of significant advances or loans between inter-company or subsidiary or affiliated organizations, or loan transactions with directors.

(6) Information related to loan management, such as:

- (a) taking and repaying loans equal to or more than 25% of the paid up capital or net asset value, whichever is higher;
- (b) encumbrance or disencumbrance of substantial assets;
- (c) failure to repay the liability or debt of any bank, creditor or debenture for more than 6 (six) months;
- (d) significant fresh loan agreements; and
- (e) foreign loan agreements or investment agreements, etc.

(7) Others, such as:

- (a) signing any important contract or cancelling or substantially amending any previously declared/signed contract;
- (b) any event that causes significant damage to the assets or reputation of the company;
- (c) cancelling any previously declared project or significant amendment thereof; and
- (d) submission of qualified reports by the auditors of the company, etc.

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- 6. The company shall promptly disseminate material information on its official website, as required by rule 3(3) and Schedule-Ka.
- 7. The company shall preserve in its website all price sensitive information and material information disclosed/published in the last 3 (three) years, as required by rule 3(4).
- 8. The company shall, in the manner prescribed by the Commission from time to time, preserve information about all “insiders” within the meaning of Insider Trading Rules, and shall supply this information to the stock exchange concerned and the Commission, as required by rule 3(6).
- 9. The company will adopt a proactive approach to the disclosure of material information and price-sensitive information. The company's management, in consultation with the board of directors, will determine whether any information is material and price-sensitive and whether it should be disclosed to the public.



10. All material and price-sensitive information will be disclosed as soon as possible after the management has determined that it should be disclosed. The company will also disclose any other information that is required to be disclosed under the applicable laws and regulations in Bangladesh. The company will strive to ensure that such disclosures are accurate, complete, and not misleading.
11. The company will maintain a record of all material information and price-sensitive information that are disclosed to the public. The record will include the date of disclosure, the nature of the information disclosed, and the channel through which it was disclosed.
12. The company will ensure that all employees, officers, and directors are aware of their responsibilities with respect to the disclosure of material information and price-sensitive information. The company will also provide regular training to its employees, officers, and directors on the importance of complying with securities laws and regulations in Bangladesh.
13. The company will appoint a designated officer who will be responsible for overseeing the disclosure of material information and price-sensitive information. The designated officer will be responsible for ensuring that all material information and price-sensitive information is disclosed in a timely, accurate, and complete manner.
14. The company will regularly review its disclosure/disseminate policies and procedures to ensure that they remain effective and up-to-date. The company will also seek to improve its disclosure practices by adopting best practices and industry standards where appropriate.
15. Any breach of these principles or the applicable securities laws and regulations in Bangladesh will be promptly investigated, and appropriate disciplinary action will be taken against the persons responsible.

[The 'Principles on Disclosure of Material Information and Price Sensitive Information' approved at the 222nd Board Meeting of Envoy Textiles Limited, held on 1 July 2023]

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