

DIRECTORS' REPORT

TO THE SHAREHOLDER

The Board of Directors is pleased to present the Annual Report 2019-20 and the audited financial statements of the Company for the financial year ended 30 June 2020 together with the Auditors' Report thereon. The Directors' Report has been prepared in compliance with section 184 of the Companies Act 1994 and Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other applicable rules and Regulations. Moreover, the Directors are pleased to explain and disclose some issues, which they consider relevant to ensure more transparency in this regard. The Directors believe the report will give greater insights of the Company's performance during the year under review.

INDUSTRY OUTLOOK

The pandemic has confronted the hospitality industry with an unprecedented challenge. Strategies to flatten the COVID-19 curve such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in temporary closure of many hospitality businesses and significantly decreased the demand for businesses that were allowed to continue to operate. Almost all restaurants in Bangladesh were asked to limit their operations to only take-outs. Restrictions placed on travel and stay-at-home orders issued by the authorities led to sharp decline in hotel occupancies and revenues. Due to maintain the social distances and restrictions for some corporate social elements, the F&B revenue dropped significantly.

The main revenue of the Hotel's (The Westin Dhaka and Hansa Residence) comes from room and food and beverage (F&B) services almost 95% which sell to the foreign and local guest of different corporate clients. During this COVID-19 pandemic period, demand for room and F&B has reduced remarkably due to travel band on international flights and also many corporate, factories, offices, production plants were shut down. During the current financial year (2019-2020) the UHRL total revenue was 1,575 million which is 28% lower compare to the same period last year which ultimately impacted on profitability and earnings per share (EPS).

According to the Civil Aviation Authority of Bangladesh, on-arrival visas for all nationalities have been suspended. Due to the cancellation of scheduled tour packages from abroad, the tour operators in Bangladesh are struggling to sustain. Besides, domestic tourists are expected to maintain self-isolation. As a consequence, the domestic, inbound and outbound tourism sector in Bangladesh is facing enormous economic losses and job cuts. With restricted travel and cancellation of business flights, the luxury hotel industry has also been facing the domino effect of economic fallout. Due to travel band in China, Europe and America the occupancy rates of luxury hotels have declined by staggering amounts from February 2020 onwards. While the hotels would have witnessed occupancy rates of 75% to 80% in usual times, the current rates have plunged to an average of 10% to 15%.

Due to the pandemic Covid -19 massive distraction the domestic, inbound and outbound tourism sector in Bangladesh is facing enormous economic losses and job cuts. Simultaneously, restricted travel and cancellation of business flights, the luxury hotel industry has also been facing the domino effect of economic fallout which has had a negative impact on the foreign visitors and thus our revenue. Despite all of these hazards and future state of competition, we are optimistic about the Company's future and about our ability to continue to deliver superior returns to our shareholders in the coming year. Now we have already established the Brand "The Westin Dhaka" and "Hansa Residence" as the hotel of "First choice" for the foreign and local clients.

COMPANY'S FINANCIAL PERFORMANCE

The Directors take pleasure in reporting the Financial Results of the Company for the financial year ended 30 June 2020 as follows:

Particulars	2019-20	2018-19
Revenue	1,574,890,441	2,187,286,718
Cost of Goods Sold	(376,074,900)	(507,274,568)
Gross Profit	1,198,815,541	1,680,012,150
Provision for WPPF	(22,782,838)	(43,545,120)
Profit before tax	455,656,751	870,902,410
Provision for Income tax	(274,316,745)	(274,316,745)
Net Profit after tax	280,175,156	596,585,665
Earnings per share (EPS)	0.95	2.03
Net Asset Value (NAV)	23,458,242,837	23,736,086,986
Net Asset Value Per Share (NAVPS)	79.68	80.69

DIVIDEND RECOMMENDED

Considering the current market scenario and pandemic situation Board of Directors has recommended 10% cash dividend for the year ended June 30, 2020 for the General Shareholders (The Director & Sponsor of the Company will not receive any dividend) subject to approval by the shareholders in the 19th AGM. Total paid up shares is 29,44,00,000 nos. and General Shareholders holding is 140,831,710 number of shares. Director & Sponsor are holding 153,368,290 nos. of shares (except independent & nominated Directors).

History of our dividend payment for the last four years is as follows:

Year	Dividend Payout (%)
2015-16	22% Cash Dividend
2016-17	20% Cash Dividend
2017-18	22% Cash Dividend
2018-19	20% Cash Dividend
2019-20 (Proposed)	10% Cash Dividend for general shareholders

We are committed to keeping continuity and consistency in the payment of dividend vis-à-vis the market scenario in the coming years.

SHARE CAPITAL

Authorized capital and paid up capital of the Company stood at Tk.1000.00 Crore and Tk. 294.40 Crore respectively at the end of the financial year ended on June 30, 2020.

STATEMENT ON COMPLIANCE

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

OTHER REGULATORY COMPLIANCES

The Company is also required to comply with the following major laws and regulations in addition to the Companies Act 1994:

The Securities & Exchange Rules 1987,
The Securities & Exchange Ordinance 1969,

The Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited,
The Income Tax Ordinance 1984,
The Income Tax Rules 1984,
The Value Added Tax Act 1991,
The Value Added Tax Rules 1991,
Bangladesh Labor Law, 2006 (Amended in 2018)
The Customs Act 1969.

STRUCTURE, CONTENT AND PRESENTATION OF FINANCIAL STATEMENTS

Being the general-purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by BAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

- i) Statement of Financial Position as at 30 June 2020,
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020,
- iii) Statement of Changes in Equity for the year ended 30 June 2020,
- iv) Statement of Cash Flows for the year ended 30 June 2020,
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2020,

GOING CONCERN

As per BAS-1 para 25, a company is required to make assessment at the end of each year to assess its capability to continue as a going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

ACCRUAL BASIS

Unique Hotel & Resorts Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

INTERNAL CONTROL SYSTEM

Internal Audit Supports the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes. In order to ensure organizational independence of Internal Audit, the head of Internal Audit reports functionally to Audit Committee and administratively to the Managing Director. Internal Audit team regularly monitors whether the appropriate Accounting Policies have been consistently applied in preparation of the financial statements. Bangladesh Accounting Standard and International Accounting Standards, as applicable in Bangladesh, have been followed and adequately disclosed. Internal audit is being carried out by Hodavasi Chowdhury & Co., a renowned Chartered Accountancy firm in Bangladesh, along with internal audit team of The Westin Dhaka.

STATUTORY AUDITOR

The statutory audit is governed by the Companies Act, 1994, The Bangladesh Securities and Exchange Commission's Ordinance, 1969, Bangladesh Securities and Exchange Commission's Rules 1987 and applicable laws of Bangladesh, which explicitly provide guidelines for the appointment, scope of work and retirement of auditors. M/S. S.F. Ahmed & Co., Chartered Accountants member firm of HLB International Ltd. appointed as statutory auditor in the 16th Annual General Meeting by the shareholders and upon completion of consecutive three years they will retire in the 19th AGM. Five audit firms had submitted their EOI and upon scrutiny, audit committee recommended a pool of audit firm and out of that pool Board of Directors recommended M/S. G. Kibria & Co., Chartered Accountants for appointment as external auditor for the financial year 2020-21 subject to the approval of the Shareholders in the ensuing 19th AGM of the Company scheduled to be held on 24 December 2020.

CG COMPLIANCE AUDITORS

Pursuant to the compliance with the Corporate Governance Code of the Commission BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued by Bangladesh Securities Exchange Commission (BSEC) under section 2CC of the Securities and Exchange Ordinance, 1969, each Company shall obtain a certificate from a practicing Professional Accountant / Secretary regarding compliance of conditions of Corporate Governance Code of the Commission and shall send the same to

the shareholders along with the Annual Report on yearly basis.

The Board of Directors recommended M/s. Itrat Husain & Associates, Chartered Secretaries in Practice for re-appointment as compliance auditor for certification of compliance on Corporate Governance for the year ended 30 June 2021 subject to the approval of the shareholders in the 19th Annual General Meeting. The Compliance Certificate for the year ended June 30, 2020 has obtained from M/s. Itrat Husain & Associates, Chartered Secretaries in Practice and certifies that the Company has duly complied with all the regulatory requirements as stipulated in the new Corporate Governance Code of Bangladesh Securities & Exchange Commission's notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 10 June 2018.

AUDITOR'S OPINION

M/S SF Ahmed & Co., Chartered Accountants has submitted an unqualified Audit Report for the year ended 30 June 2020 and Corporate Governance compliance Auditor M/s Itrat Husain & Associates, Chartered Secretaries in Practice certifies that the Company has duly complied with all conditions of the Corporate Governance Code and also complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). The Compliance auditor has issued satisfactory opinion on the compliance of the Company.

ROTATION OF THE DIRECTORS

Pursuant to section 91(1) of the companies Act, 1994 and clause no. 104 of the Article of Association of the Company, one third of the Directors, shall retire by rotation in every ordinary general meeting. Accordingly, three directors of the Company will retire in the ensuing 19th Annual General Meeting. The retiring Directors are Mrs. Salina Ali, and Mr. Mohammad Golam Sarwar FCA.

Being eligible, Mrs. Salina Ali, Chairperson and a shareholder holding 16,800,056 number of shares (5.71%) expressed her interest to become Director. On the other hand, being eligible and upon application from Unique Eastern (Pvt.) Ltd. for re-electing Mr. Mohammad Golam Sarwar FCA, Nominee Director representing Unique Eastern (Pvt.) Ltd. as director and offered themselves for re-election.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Pursuant to the section 6 (2) (a)(b) of the new Governance Code of the Commission, the Board of Directors constituted the Nomination and Remuneration Committee. The Committee is comprised of 03 (three) members of the Board of Directors. The Chairperson of the committee is an Independent Director. Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Committee has been constituted by the Board of Directors to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executives. As per the Corporate Governance Code, in the financial year 2019-20 the committee conducted 02 (two) meetings. The attendance record of the committee meetings held during the year is shown in the Nomination and Remuneration Committee report.

RISK MANAGEMENT COMMITTEE

This Sub-Committee is headed by the Independent Director, Directors and consists of knowledgeable cross functional managers including General Manager and Residence Manager of The Westin Dhaka who drive an effective risk management framework in the Company. The risk controllers periodically review the departmental risks and report to RMC. The RMC reviews the functional risks two times a year, identifies the Company's key risks and ensures that adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Audit Committee and then ratified by the Board as far as effective risk management is concerned. In order to ensure effective risk management within the Company, the RMC is responsible for reviewing risks, maintaining an appropriate level of awareness throughout the Company and ensuring effectiveness of the risk management process. The Company maintains a risk register where all the associated risks as well as action plans are recorded. During the financial year the committee conducted one meeting.

BOARD CSR COMMITTEE

The Board CSR committee is comprised of four members, of which, an Independent Director is the member. The purpose of the Board CSR Committee is to ensure long term sustainability of the Company

aspirations and management of the Company's CSR initiatives.

The initiatives are managed in a way that secures business stability, sustain positive image and reputation of the Company and establishes the Company's commitment to the nation at large. The CSR committee met three times in 2019-20. The initiatives are all aligned with the SDG's and we are contributing to fulfilling the Government's commitment to the nation at large.

REPORTING BY THE COMMITTEES TO THE BOARD

Each committee regularly reports on their work to the Board. After confirmation of the decisions in the committee the confirmed minutes placed before the Board for ratification. As a minimum, the report includes a summary of the matters addressed and the measures undertaken by the committee.

FINANCIAL REPORTING AND TRANSPARENCY

Financial statements have been prepared in line with the International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting Standards (BFRS). Financial data is circulated as appropriate within and outside the organization. The timely publication of quarterly, half yearly and annual financial statements with comprehensive details beyond the statutory requirements has been a salient feature of the financial reporting system.

Chief Financial Officer and Company Secretary is responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the CFO and Company Secretary maintains full and effective control of all significant strategic, financial, organizational and compliance issues.

COMMUNICATION WITH SHAREHOLDERS

The Company encourages communications with shareholders throughout the year and welcomes their participation at shareholders' meeting. Four times each year, Unique Hotel & Resorts Limited reports to its shareholders regarding its business, financial position and earnings. An Annual General Meeting normally takes place within the first six months of each fiscal year. Among other things, the Annual

General Meeting decides on the appropriation of net income, election of the Board members and the appointment of the Auditors. Amendments to the Memorandum and Articles of Association and any change in the Company's paid up capital structure are approved exclusively at the Annual General Meeting and are implemented by the Board.

QUARTERLY /YEARLY RESULTS

Shareholders are provided with Quarterly Financial Statements and the Annual Report, which the Company considers as its principal communication with them and other stakeholders. The quarterly results of the Company are published in the newspapers. Yearly results are generally published in the Annual Report and the soft copy of the report sent to the shareholders' through email. These reports are also available on the Company's website-www.uhrlbd.com.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. It is represented by the contributions undertaken by companies to society through its business activities and its social investment. It is further defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies & actions. CSR is about how businesses align their values and behavior with the expectation of stakeholders, not just customers, and investors, but also employees, suppliers, communities, regulators, special interest groups, and society as a whole. It is the Company's commitment to being accountable to its stakeholders for the betterment around us. We are delighted to inform that during this period 01 July 2019 to 30 June 2020 Unique Hotel & Resorts Limited contributed a substantial amount to the society.

SUSTAINABILITY

Unique Hotel & Resorts Limited always concern and believe on the sustainable development of the Company. Upon the prudent guidance of the Board of Directors, the Management of the Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. It is emphasizing on volume-based strategy for increasing room occupancy as well as enhancing

the quality and portfolio of food and beverage that will attract the customers and grab the market share at large. In addition, The Westin Dhaka is leading as an elevated distinct up-scale hotel brand in Bangladesh by creating memorable hotel stays, exceptional Food and Beverage program and curated guest experience. Unique Hotel & Resorts Limited is practicing succession planning and talent employee retention policy.

ENVIRONMENT, HEALTH AND SAFETY

Unique Hotel and Resorts Limited is committed to ensure the sound health and safe work environment for the employee always. The Company also committed to ensure the minimization of the environmental impact. To keep the employees aware, the Company carried out various kinds of communications, workshop, training program, fire drill, and other awareness programs round the year. A month-long safety, security and hygiene program while cooking foods for the customers are conducted the Westin Dhaka as a per of the Marriott compliance.

CODE OF ETHICS AND COMPLIANCE WITH THE LAW:

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Unique Hotel & Resorts Limited. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations and this is being followed by the Company.

In order to ensure organizational independence of Internal Audit, the head of Internal Audit reports functionally to the Audit Committee and administratively to the Director. Internal Audit team regularly monitors whether the appropriate Accounting Policies have been consistently applied in preparation of the financial statements. Bangladesh Accounting Standard and International Accounting Standards, as applicable in Bangladesh, have been followed and adequately disclosed. Internal audit is being carried out by Hoda Vasi Chowdhury & Co., a renowned Accountancy firm in Bangladesh, along with internal audit team of The Westin Dhaka.

The statutory auditor M/S S F Ahmed & Co., Chartered Accountants member firm of HLB

International has given an unqualified report. In their opinion, the financial statements present fairly in all material respect the financial position of Unique Hotel & Resorts Limited as at 30 June 2020 and its financial performance and its cash flows for the year than ended in accordance with Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities & Exchange Rules 1987 and other applicable laws and regulations.

Independent Corporate Governance Compliance Auditor M/S Itrat Husain & Associates, Chartered Secretaries in Practice have certified that the UHRL has duly complied with all the conditions of the regulatory requirements as stipulated in the new Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission. Accordingly, M/S Itrat Hussain & Associates, Chartered Secretaries after their examination issued a Compliance Certificate with satisfactory rating which has been shown in the Annual Report.

As an organization, our values include integrity self-determination and valuing people. Our company has specified corporate values and stipulated a code of ethics for employees, ensuring that the latter maintain the highest integrity and comply with the relevant laws and ethical principles. Therefore, the Company considers the significance of ethical, human and environmental matters in the conduct of its business.

FUTURE PLAN

We have communicated to our valued stakeholders through previous annual reports that two or more five-star hotels are going to be established in the coming years. The structural construction of one of the hotels (Hyatt Centric & Hyatt Residence) has completed and the Interior decoration and others is going on and will be completed by mid of 2022. Moreover, the interior work of the Sheraton Dhaka hotel is completed and couldn't start the operation due to the pandemic COVID-19. If the situation improves and become normal life from new-normal we will be able to inaugurate the hotel within the first quarter of the year 2021.

Your Company always tries to provide the best quality service through innovative ideas. The management of Unique Hotel & Resorts is diversifying its portfolio by

establishing a private Economic Zone for which the pre-qualification certificate from Bangladesh Economic Zones Authority (BEZA) has already been obtained. Other notable projects are the World Trade Center Dhaka which will be the Iconic Business Hub in Bangladesh.

Another milestone of Unique Hotel & Resorts Limited is establishing new ventures and going to add another feather by establishing 600 MW power project named 'Unique Meghnaght Power Limited' for developing the Gas/R-LNG based Combined Cycle Power Generation Facility of 584 MW (Net) Capacity at Meghnaghat, Sonargaon, Narayangonj, Bangladesh on Build-Own-Operate (BOO) basis under Private Sector Power Generation Policy of Bangladesh. The Project Company 'Unique Meghnaghat Power Limited' already signed (i) the Implementation Agreement ('IA') with the GOB & PGCB (ii) the Power Purchase Agreement ('PPA') with BPDB and (iii) the Gas Supply Agreement ('GSA') with the concerned Gas Supplier on 24 July 2019. We are expecting to start the Commercial Operation of this project by 2022.

Unique Hotel & Resorts Limited is working with immense motivation and innovation to lead the Company to a new spectrum that will serve as an example for not only the Bangladeshi but also the South Asian Hospitality sector. Our distinctive strength to achieve the vision is our dedicated and competent employees, which I always appreciate. I am also thankful to the Board of Directors for their visionary role and guidance to survive our business in the pandemic COVID-19.

AWARD & RECOGNITIONS

Unique Hotel & Resorts Limited have been recognized by different national and international credible organizations and professional bodies for its accountability, transparency, good governance and fair disclosure to the stakeholders. Some of the recognitions are mentioned below:

- ☐ Received the "Certificate of Merit" award in 2014 & "First Prize" two-times in the years of 2017 & 2019 in the Service Sector category from ICAB for Best Presented Annual Report 2013, 2016-17 and 2018-19 respectively.
- ☐ Winner of the SAFA CERTIFICATE OF MERIT AWARD 2013 & SAFA AWARD 2017 "First Prize" in the Service Sector category for Best Presented Annual Report and SAARC Anniversary

Awards for Corporate Governance disclosures 2013 and 2017.

- ☐ Winner of the “Silver Award” for three-time 2014, 2017 & 2019 of ‘ICSB Corporate Governance Excellence’ for Best Corporate Governance Practice in the Services Sector category.
- ☐ The Westin Dhaka won the prestigious World Luxury Hotel Awards consecutively for the seventh (2011-2018) time in the category of Luxury Business Hotel.
- ☐ Winner of the World Luxury SPA Award in 2017, 2018 and 2019.
- ☐ Winner of the World Luxury Restaurant Awards 2019, and
- ☐ TripAdvisor’s Certificate of Excellence 2019 and 2020.

ACKNOWLEDGEMENTS

Despite of disrupted business condition due to COVID-19 impact Unique Hotel & Resorts Limited (Owner of The Westin Dhaka and Hansa Residence) is working with immense motivation and innovation to lead the Company to a new spectrum that will serve as an example for not only the Bangladeshi but also the South Asian Hospitality sector. Our distinctive strength to achieve the vision is our dedicated and competent employees, which I always appreciate. We are also thankful to the Board of Directors for their visionary role and guidance.

We would like to convey our deep gratitude to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms (RJSC), Central Depository Bangladesh Ltd. (CDBL), Financial Reporting Council (FRC) Bangladesh Bank, Bangladesh Investment Development Authority (BIDA) and other regulatory authorities and institutions for their guidance, valuable suggestion and continuous support.

As per the Corporate Governance Code 2018 issued by Bangladesh Securities and Exchange Commission, the directors make additional statements (as per condition # 5) and furnished compliance report (as per condition # 9) and the section 184 of the Companies Act, 1994 (Act no.XVIII of 1994) in Annexure-I and Annexure-II respectively attached herewith.

For and on behalf of the Board of Directors,



MOHD. NOOR ALI
Managing Director



SALINA ALI
Chairperson