

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors' are pleased to present the Annual Report 2021-22 and the audited financial statements of the Company for the financial year ended 30 June 2022 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 that the report will give greater insights of the Company's performance during the year under review.

INDUSTRY OUTLOOK

The hotel industry has compelling structural growth drivers, underpinned by factors including consumers' inherent desire to travel, population growth, and an expanding middle class in emerging markets with increasing disposable incomes. While the pandemic suppressed demand during 2020 and 2021, demand has returned rapidly in domestic markets as government restrictions have lifted and vaccination rates increased. This demand has predominantly been in markets not exposed to cross-border trips and across essential business travel, though discretionary corporate travel and group events have begun to return.

The beginning of 2022 seemed optimistic with the year expected to herald a turnaround for the travel industry, previously hit hard by the global coronavirus pandemic. However, Russia's invasion of Ukraine and the biggest sanctions in history having been placed on the aggressor by Western states may just have changed that. The war has added pressure to an already challenging economic environment and heavily affected travel demand. The majority of operators in the travel and tourism industry are once again bracing themselves for closed airspace, reckless inflation all over the globe, higher air fare, etc. However, Unique Hotel & Resorts Plc did well overcoming all external challenges.

After prolonged pandemic Covid -19 effect, hotel business has slightly improved amid the pandemic as business travel and flight operations have resumed. During the Covid -19,

there was negligible occupancy rate which was not viable for the business. However, the occupancy rate increased slowly after the movement restriction was lifted. Guest flows from abroad increased significantly. The average occupancy rate for the year ended 30 June 2022 has been 58%. Also, food & beverage and banquet events increased with maintaining and ensuring distancing and cleanliness standards which further contributed to increase the revenue of the Company. Total revenue of the Company is Tk. 1,685.09 million during the period from 01 July 2021 to 30 June 2022 which is 149% higher compared to last year indicating positive inflow of business gradually.

The impact on our business and results has been significant, however our total revenue for January to June 2022 has increased by 45% versus June to December 2021. Moreover, room occupancy has been increased and F&B revenue also increased for the period mentioned above which indicates positive inflow of business gradually. Addition of Sheraton Dhaka operations to the portfolio will provide synergies to cater MICE segment business, larger events, accommodate larger group business and improve operational efficiency with resource optimization. After the upliftment of lockdown guest inflow has increased. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardizing the health of our people.

COMPARATIVE INFORMATION

Comparative information has been disclosed in respect of 01 July 2020 to 30 June 2021 VS 01 July 2021 to 30 June 2022 in accordance with IAS 1: Presentation of Financial Statements for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year financial statements. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed in accordance with the requirement of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. Prior year figure has been re arranged wherever considered necessary to ensure comparability with the current year.

COMPANY'S FINANCIAL PERFORMANCE

The Directors take pleasure in reporting the Financial Results of the Company for the financial year ended 30 June 2022 as follows:

Particulars	2021-22	2020-21 (Restated)*
Revenue	1,685,094,953	675,400,089
Cost of Goods Sold	(462,754,082)	(234,533,439)
Gross Profit	1,222,340,871	440,866,650
Provision for WPPF	(48,382,984)	(15,753,687)
Profit before tax	972,860,068	315,073,737
Net Profit after tax	942,235,952	387,633,841
Earnings per share (EPS)	3.20	1.32
Net Asset Value (NAV)	24,945,740,188	23,924,743,628
Net Asset Value Per Share (NAVPS)	84.73	81.27

DIVIDEND RECOMMENDED

Considering the current market scenario, The Board of Directors has recommended 15% cash dividend for the Shareholders for the year ended June 30, 2022 subject to approval by the shareholders in the 21st AGM. Total paid up number of shares is 29,44,00,000.

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

Year	Dividend Payout (%)
2016-17	20% Cash Dividend
2017-18	22% Cash Dividend
2018-19	20% Cash Dividend
2019-20	10% Cash Dividend
2020-21	10% Cash Dividend
2021-2022	15% Cash Dividend (Proposed)

We are committed to keeping continuity and consistency as per our company's dividend policy in the payment of dividend vis-à-vis the market scenario in the coming years.

DIVIDEND POLICY

The Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of UHRL to draw up a long-term and predictable dividend policy.

The objective of the policy is to allow the Shareholders to make informed investment decisions. The Board has approved the following dividend policy: "The dividend policy is to pay maximum of the net profit after tax depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout. UHRL shall aim for as frequent dividend distribution as possible keeping continuity and consistency.

UNCLAIMED OR UNDISTRIBUTED OR UNSETTLED DIVIDEND IN CASH OR NON-REFUNDABLE PUBLIC SUBSCRIPTION MONEY

UHRL shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account'. UHRL has published the year-wise summary of its unpaid or unclaimed cash dividend in the website.

Pursuant to the Directive No. BSEC/CMRRC/2021-386/03, dated 14 January 2021 and the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021, Unique Hotel and Resorts Limited has transferred the unclaimed cash dividend of six years from the year 2011 to 2016-17 for an amount of Taka 12,923,999.96/- to the Capital Market Stabilization Fund (CMSF) Account NO. SND A/C 0010311521301 Community Bank Bangladesh Ltd., Gulshan Corporate Branch, Dhaka-1213 along with the Dividend Distribution Compliance Report detailed information of entitled Securities holders to the Investment corporation of Bangladesh (ICB) /complete list (In a compact disk) of the unclaimed or undistributed or unsettled dividend and non-refunded public subscription money. Subsequently this year we have transferred the unclaimed cash dividend of the year 2017-18 for an amount of Taka 9,22,209.42 to the Capital Market Stabilization Fund (CMSF) Account too.

DIVIDEND DISTRIBUTION POLICY

The dividends and dividend policy of a company are important factors that investors consider when deciding what stocks to invest in. Dividends can help investors earn a high return on their investment, and a company's dividend payment policy is a reflection of its financial performance.

Dividend would be recommended by the Board of Directors based on the Audited Financial Statements of the company. All requisite approvals and clearances, where necessary shall be obtained before the declaration of dividend. Dividend shall be approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the Directors. No dividend shall be paid other than out of profits of the year or any other undistributed profits of the Bank. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Unique Hotel and Resorts Limited believe in continuity and consistency in the shareholders / investors return and drawn up a long-term and predictable dividend policy. The objective of the policy is to allow the Shareholders to make informed investment decisions. As such, the Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company, market scenario and its strategic decisions. The Board has approved the following dividend policy:

- The dividend policy is to pay maximum of the net profit after tax based on the Audited Financial Statements depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout.
- The company pays out dividends to its shareholders every year. Some portion of the net profit keep by the company as retained earnings so that if company makes any loss in a particular year, the shareholders may get dividend under the policy. To keep the consistency in dividend payout, sometimes company paid dividend from the undistributed profits also.

Major highlights of the Dividend Distribution Policy are as follows:

The Board of Directors of the company shall recommend final dividend for the shareholders on the basis of annual audited financial statements and declare the shareholders who shall be entitled to such dividend. The decision about recommending or not recommending final dividend and entitlement for such dividend, if recommended, shall be taken after considering the interim dividend already distributed and cannot be changed prior to holding of the AGM. In case of declaration of stock dividend for the year,

the company shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

Entitlement to dividend

The Shareholders whose names would appear in the Register of the company and/or in the Depository on the 'Record Date' would be entitled to receive the dividend.

Payment of dividend

UHRL shall pay off the dividend to the entitled shareholders, within 30 (thirty) days from the date of approval by shareholders in AGM.

Cash dividend

Cash dividend shall be distributed in the following manner and procedures:

Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of UHRL.

UHRL shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).

UHRL may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.

Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, UHRL shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.

In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, UHRL shall issue cash dividend warrant and shall send it by post to the shareholders.

UHRL shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/

annually) as a separate line item 'Unclaimed Dividend Account'. UHRL shall publish the year-wise summary of its unpaid or unclaimed cash dividend in the website.

Stock dividend

UHRL shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholders, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). UHRL shall follow the provisions of Regulation 46 of the Depository Regulation, 2003 for issuance of bonus shares. UHRL shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- UHRL shall send at least 3 (three) reminders to the entitled shareholders.
- The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer.
- Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
- UHRL shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE).
- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders is established.

Submission of dividend distribution compliance report

UHRL shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issued by the regulator(s) within stipulated time of completion of dividend distribution to the entitled shareholders.

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, 2022.

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 IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

- i) Statement of Financial Position;
- ii) Statement of Profit or Loss and Other Comprehensive Income;
- iii) Statement of Changes in Equity;
- iv) Statement of Cash Flows;
- v) Notes to the Financial Statements, comprising a summary of significant accounting policies and other explanatory information to the financial statements.

REPORTING PERIOD

The financial statements of the Company cover the financial period of twelve months from 01 July 2021 to 30 June 2022 with comparative figures for the period from 01 July 2020 to 30 June 2021.

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 Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC,
 The Income Tax Ordinance 1984,
 The Income Tax Rules 1984,
 The Value Added Tax and SD Act 2012,
 The Value Added Tax and SD Rules 2016,
 The Customs Act 1969,
 BSEC Corporate Governance Code, 2018
 Bangladesh Labor Act, 2006 (Amended in 2013 & 2018)
 Bangladesh Labor Rules, 2015; and
 Financial Reporting Act, 2015

GOING CONCERN

As per IAS-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. The World Health Organization (WHO) declared a global pandemic due

to Corona Virus related respiratory disease commonly called as COVID-19 on 11 March 2020. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures, all business and economic activities were adversely affected which pretentious the Unique Hotel and Resorts Ltd. business as well. Business operation and profitability of the Company has been impacted due to COVID-19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will be prevailed. potential impact of COVID-19 on the UHRL operation and financial results cannot reasonably be assessed. Though management has assessed the going concern issue and found no uncertainty regarding this for the upcoming 12 months due to COVID-19. Assessment of COVID-19 impact on the following areas have been made:

Implications of COVID-19 on our business

The pandemic has confronted the hospitality industry with an unprecedented challenge. Due to worldwide 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.

After a prolonged lockdown, hotel business has slightly improved amid the pandemic as business travel and flight operations have resumed. During the lockdown, there was negligible occupancy rate which was not viable for the business. However, the occupancy rate increased slowly after the lockdown was lifted. Guest flows from abroad increased significantly. The average occupancy rate for the year ended 30 June 2022 has been 58%. Also, food & beverage and banquet events increased with maintaining and ensuring distancing and cleanliness standards which further contributed to increase the revenue of the Company. Total revenue of the Company is Tk. 1,685.09 million during the period from 01 July 2021 to 30 June 2022 which is 149% higher compared to last year indicating positive inflow of business gradually.

Management have assessed other areas of operations and found no uncertainty about the entity's ability to continue as a going concern.

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 Financial Reporting Standards, as applicable in Bangladesh, have been followed and adequately disclosed. Internal audit is being carried out by M/S. Hoda vasi Chowdhury & Co., a renowned Chartered Accountancy firm in Bangladesh, along with internal audit team of The Westin Dhaka.

STATUTORY AUDITOR

M/S. G. Kibria & Co., Chartered Accountants; appointed as Statutory Auditor in the 19th Annual General Meeting by the shareholders and upon successful completion of two year they have applied for re-appointment for the next year. As such the Board of Directors recommended M/S. G. Kibria & Co., Chartered Accountants for re-appointment as external auditor for the financial year 2022-23 subject to the approval of the Shareholders in the ensuing 21st AGM of the Company scheduled to be held on 20 December 2022.

CG COMPLIANCE AUDITORS

The Board of Directors has recommended the current CG Compliance auditor M/S. Mohammadullah & Associates, Chartered Secretaries in practice for re-appointment for the financial year 2022-23 subject to the approval of the shareholders in the ensuing AGM of the company Scheduled to be held on 20 December 2022. The compliance Certificate for the year ended June 30, 2022 has obtained from M/S. Mohammadullah & Associates 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 / CMRCD/2006-158/207/Admin/80 dated 10 June 2018.

INDEPENDENT SCRUTINIZER

M/S. Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants; appointed as Independent Scrutinizer in the 149th Board of Directors Meeting for observing the due diligence and AGM process, election procedure and detailed information of voting results of the 20th AGM and upon successful completion of one year they have applied for appointment for the next year. As such the Board of Directors recommended M/S Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants as Independent Scrutinizer for observing and authenticating the due diligence and AGM process, election procedure and detailed information of voting results and certification and report to the regulatory within 48 hours of completion of Annual General Meeting.

AUDITOR'S OPINION

M/S. G. Kibria & Co., Chartered Accountants has submitted an unqualified Audit Report for the year ended 30 June 2022 and Corporate Governance compliance Auditor M/S. Mohammadullah & 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 highly 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, Mrs. Salina Ali, Chairperson, Mr. Khaled Noor, Nominated Director representing Borak Real Estate Limited and Mr. Mohammad Golam Sarwar FCA, Nominated Director representing Unique Eastern (Pvt.) Limited will retire in the AGM and being eligible they have expressed their interest for re-election.

COMPOSITION OF BOARD

The Board of Directors consists of 10 (Ten) members including Managing Director and 03 (three) Independent Directors having diverse and professional expertise and experiences. The Directors are from varied businesses and other backgrounds and their experience enables them to execute independent judgments on the Board where their views carry substantial weight in the decision making.

They contribute to the Company's strategy and policy formulation in addition to maintaining its performance as well as its executive management.

QUORUM OF THE BOARD AND BOARD COMMITTEE MEETING

During the financial year 2021-22, the Board of Directors meeting and Board Committee's meeting quorum was constituted duly. The required number of board and committee members were present round the meeting where in presence of the Independent Director witness. Due to the COVID-19 pandemic most of the meetings was conducted through virtual platform.

BOARD MEETING



The Board meets regularly to discharge its duties effectively. 07 (Seven) meetings of the Board of Directors were held during the year 2021-22 and the gap between two meetings did not exceed three months. The attendance record of the Board meetings held during the year has been given in the additional statement of the directors' report and Corporate Governance Statement. There is an extensive staff participation in decision making at all levels of the Company and strategic recommendations on material matters flow to the Board for decision.

- **Physical meeting:** Unique Hotel & Resorts Limited also did some Board of Directors' meeting and committee meeting in physical presence maintaining the proper health and hygiene and safety.



- **Virtual meeting:** As the pandemic COVID-19 was suffer the country as well globe, Unique Hotel & Resorts Limited had conducted the Board of Directors' meeting and committee meeting in the virtual platform (Zoom Cloud meeting). It is to be mentioned here that most of the meetings held in virtual platform.
- **Hybrid meeting:** Unique Hotel & Resorts Limited also did some Board of Directors' meeting and committee meeting in Hybrid system that means physical presence and online presence maintaining the proper health and hygiene and safety.

INDEPENDENT DIRECTOR

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board. Mr. Mohammad Forkan Uddin FCA, Mr. N K A Mobin FCS, FCA and Professor Mohammed Ahsan Ullah are Independent Directors of the Company, they are free from any business or other relationships with the company which can materially interfere with or affect the exercise of their independent judgment. The Board believes their experience and knowledge enable them to provide both effective and constructive contribution to the Board.

CHAIRPERSON AND MANAGING DIRECTOR

The Chairperson is responsible for leadership of the Board, for ensuring its effectiveness on all aspects of its role and also for facilitating the productive contribution of all Directors.

The Managing Director has overall responsibility for the performance of the Company's business. He provides leadership to the Company to ensure the successful planning and execution of the objectives and strategies. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) guidelines, the roles of Chairman and Managing Director have been clearly defined by the Board of Directors.

BOARD COMMITTEES

The Board has established various Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee, Nomination and Remuneration Committee, Board CSR Committee, Investment Committee and Board Sub-Committees. Each Committee has its own terms of reference under which respective authority is delegated by the Board and is kept under review and updated regularly to ensure that they remain consistent with the best practice. The Company Secretary act as the secretary to each of the Committees. Committee meeting

agenda, working papers and minutes are made available to all members. Throughout the meetings requisite quorum was present. The details of the committee reports are shown in Corporate Governance statement and respective committee reports.

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 2021 to 30 June 2022 Unique Hotel & Resorts Limited contributed a substantial amount to the society including financial support in construction of two mosque, financial assistance to the Rickshaw and Van Puller labor union, Bangladesh Volleyball federation and many more. On the other hand, The Westin Dhaka & Sheraton Dhaka has distributed food among the poor peoples.

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.

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.

The statutory auditor M/S. G. Kibria & Co., Chartered Accountants 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 2022 and its financial performance and its cash flows for the year than ended in accordance with International Accounting Standard (IASs) 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. Mohammadullah & 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. Mohammadullah & Associates, Chartered Secretaries in practice 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.

NOTES TO THE SHAREHOLDERS IN CONNECTION TO THE SUBSIDIARY COMPANY

Unique Meghnaghat Power Limited ("UMPL", "the project company") was initiated among Strategic Finance Ltd.

(SFL), Unique Hotel & Resorts Ltd. (UHRL) and GE Capital Energy Investments B.V. (GE). Unique Hotel & Resorts Ltd. (the company) has subscribed for 62.76% of ordinary shares of UMPL as a sponsor company. Later on, Nebras Power, a Qatar based power company, came into the joint arrangement with a commitment of providing 24% equity into the project company through their Netherland based entity Nebras Power Investment Management BV (Nebras). As GE expressed its unwillingness to inject any further equity into the project company after initial subscription of USD 3000, all the subsequent equity has been providing by UHRL, SFL and Nebras in the form of preference shares. Equity injection through preference shares is essential because of some covenant into project agreement restricting any change in ownership structure of the project company before the lapse of sixth year of commercial operation.

Share Purchase Agreement (SPA) Signing: A Share Purchase Agreement has been executed between Unique Meghnaghat Power Limited (UMPL), Unique Hotel & Resorts Ltd. (UHRL), Strategic Finance Limited (SFL) and Nebras Power Investment Management BV. to sell 14,641 (Fourteen Thousand Six Hundred and Forty-One) number of ordinary shares (Face value of the share is Tk.10 per share and the total value of Tk.146,410) which is 11.76% of its paid-up shares of Unique Meghnaghat Power Limited (A subsidiary Company of UHRL) to Nebras Power Investment Management B.V. [PSI communicated on 15 April 2021] in exchange of total USD24,068,800.00 as a premium to be executed by four closing. Among these 1st closing money has been received and the ordinary shares of UHRL in UMPL has been reduced from 62.76% to 53.94% (67,155 shares). After 4th closing, the total ordinary shareholding of UHRL will come down to 51%.

Based on the abovementioned agreement, UHRL has agreed to transfer 11.76%; 14,641 numbers of ordinary shares @Tk.10 per ordinary share to Nebras Power Investment Management BV in consideration of total USD 24,068,800 to be executed by 1st, 2nd, 3rd and 4th closing, phase by phase subject to the satisfaction of the Condition Precedents (CPs) as per agreement. The shareholders of UHRL have been duly informed through a Price Sensitive Information dated April 15, 2021. As such, pursuant to the Schedule 1 of the SPA, the company has completed the CPs of the first closing where UHRL transferred 8.82% (10,981 shares) to Nebras Power Investment Management BV on February 22, 2022. Subsequently, Nebras Power Investment Management B.V has remitted the First closing money of USD 9,699,188.88 including stamp duty to the bank account of Unique Hotel & Resorts Ltd. and the remaining value will be received by 2nd, 3rd & 4th closing phase by phase upon satisfaction of the CPs as per SPA.

GAIN ON SALE OF SHARE OF UNIQUE MEGHNAGHAT POWER LIMITED

As discussed above, upon satisfaction of the Condition Precedents (CPs) of the first closing mentioned in the Share Purchase Agreement (SPA) and signed Shareholders Agreement (SHA) on February 22, 2022; Nebras Power Investment Management BV has remitted the first closing money of USD 9,699,188.88 including stamp duty fees to the UHRL bank account. The net consideration was USD 9,555,851 equivalent to BDT 836,136,972.41 @Tk./USD 87.5 for selling 8.82%, i.e. 10,981 numbers of ordinary shares of Unique Meghnaghat Power Limited. The face value of the said shares is @Tk.10. Total face value of 8.82% shares is Tk.109,810 (USD 1,291.88). The capital gain on sale of share amounts to USD 9,554,559 (Tk. 836,027,162).

The aforesaid capital gain has an impact of Tk. 2.84 on the overall EPS of Unique Hotel & Resorts Ltd. for the year ended 30 June 2022. This has been communicated with the shareholders on 06 March 2022 through PSI. The remaining value will be received by 2nd, 3rd & 4th closing phase by phase upon satisfaction of the CPs as per agreement.

PROPOSED SHAREHOLDING IN UMPL BY UHRL

As per Shareholders Agreement (SHA) signed between Unique Hotel and Resorts Ltd., Strategic Finance Limited, Nebras Power Investment Management B.V., GE Capital Global Energy Investments B.V., Individual shareholders and Unique Meghnaghat Power Limited; SFL, UHRL and Nebras will hold 38.76%, 37.24% and 24% respectively of the preference shares in issue of the project company from the date of signing the SHA. Investment in ordinary shares and cumulative preference shares have initially been recorded at cost.

Furthermore, according to the AOA of UMPL and terms and conditions of the Shareholders Agreement and Subscription Agreement, the ordinary shareholders shall not receive any dividend and only lead parties, namely UHRL, SFL and Nebras will be entitled to dividend on sweep cash basis in proportion of preference shareholding percentage until the conversion of all preference shares into fully paid ordinary shares. In both scenarios, UHRL will get only 37.24% of the dividend to be distributed. As a result, UHRL has accounted for 37.24% of the net assets of UMPL for calculation of carrying amount of the investment in UMPL (joint venture) in equity method.

RECOGNITION OF INVESTMENT IN UNIQUE MEGHNAGHAT POWER LIMITED FROM SUBSIDIARY TO JOINT VENTURE

UHRL presented consolidated financial statements until the financial year ended on 30 June 2021. UHRL does

not have controlling power over UMPL as per IFRS 10: Consolidated Financial Statements as of 30 June 2022. As per the amended Articles of Association (AOA) of UMPL after the inclusion of Nebras on the board, the three (3) preference shareholders also referred as lead parties (UHRL, SFL and Nebras) has complete joint control over the relevant activities of the project company which are covered by Lead Parties reserved matters. To make decision on any Lead Parties reserved matters affirmative votes of at least 5 (five) Directors, including the affirmative vote of at least 1(one) from Nebras Director, 1 (one) from UHRL Director and 1 (one) from SFL Director are required either at board meeting or a shareholders' meeting or otherwise. According to AOA, the Lead Parties Reserved Matters includes various significant decisions including major acquisitions, issuing equity instruments, dividend distributions any investment or liquidation of investment, entering into an amendment of any material agreement, approval of budget and business plan, appointment of senior management of company etc. To take any decision in the board meeting in any agenda other than those relating to reserved matters, majority votes are required. No shareholder has controlling interest over the project company to direct the relevant activities of the project company with their present voting rights. Rather relevant activities are directed jointly by SFL, UHRL and Nebras. Moreover, the voting rights of ordinary shareholders do not immediately influence sponsors' control over the project company. Since preference shareholders are responsible for substantially all of the equity injection, they have complete control over how the relevant activities are implemented in proportion to their preferred shareholding percentage as mentioned above. UHRL, SFL and Nebras take all the relevant decisions of UMPL jointly. Hence, UHRL, SFL and Nebras have joint control over UMPL and have right over net assets of UMPL in proportion to their ordinary shares and preference shares on fully dilution basis. Under these circumstances, UHRL has accounted for investment in UMPL as joint venture under IFRS 11: Joint Arrangements in equity method as per IAS 28: Investment in Associates and Joint Ventures.

According to IAS 28 (paragraph 10), the investment in UMPL was recognized at cost on initial recognition and the carrying amount is increased or decreased to recognize the UHRL's share of the profit or loss of UMPL after the date of acquisition. Consolidated financial statements combine the financial position and financial performance of separate legal entities controlled by a parent into one for a specific reporting period. As UHRL does not exert sole control over the relevant activities of its subsidiary, i.e. UMPL as of 30 June 2022; hence UHRL has accounted for the change in recognition of investment in UMPL from IAS 27: para 10 at

cost method for recognition as subsidiary entity to equity method for recognition as joint venture as per IAS 28 with retrospective impact (change in policy).

IMPAIRMENT OF ASSETS:

There are two types of Impairment of Assets; one is Impairment of property, plant and equipment's and Impairment of financial assets;

- a) Impairment of property, plant and equipment's: As per IAS 36: Impairment of Assets the carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss. Impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience. An impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. During this period no indication for impairment of the fixed assets as a result, no such assets have been impaired and for this reason no provision has been made for impairment of assets.
- b) Impairment of financial assets: IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to:
 - financial assets measured at amortized cost,
 - contract assets and
 - debt investments measured at FVOCI, but the standard does not apply to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The Group measures loss allowances at an amount equal to ECL from trade receivables.

PROVISIONING AGAINST THE FIXED DEPOSIT RECEIPTS WITH PLFSL & ILFSL:

The Company has investments in People's Leasing and Financial Services Ltd. (PLFSL) to the extent of Tk. 43,679,385 in the form of term deposits. At present, a winding up application, Financial Institution Matter No. 1 of 2019 filed by Bangladesh Bank, is pending against PLFSL in the Honorable High Court Division of the Supreme Court of Bangladesh. The Honorable High Court has not allowed the application but has instead reconstructed PLFSL's Board of Directors through the court order dated July 15, 2021 and also directed the depositors not to insist upon

the Board of Directors or management of the PLFSL for return of their money in next six (6) months. The order of direction restraining UHRL as a depositor from demanding repayment from PLFSL has been extended twice, lastly until January 2023. UHRL is also not aware of any developments which would suggest that there would not be any further extensions of the interim order. Unique Hotel & Resorts Ltd. has also sought legal opinion from renowned legal advisor in this matter. However, considering the abovementioned facts, UHRL has considered its investment in PLFSL to be a credit impaired financial asset in terms of IFRS 9 on a conservative approach and has decided to make 60% loss allowance against the principal receivable from PLFSL. Such allowance represents a prudent measure of accounting on its part, it does not represent a waiver of any claim against PLFSL.

Furthermore, the Company has investments in International Leasing and Financial Services Ltd. (ILFSL) to the extent of Tk. 231,000,000 in the form of term deposits. At present, a winding up application by the depositors of ILFSL, Company Matter No. 299 of 2019, is pending against ILFSL in the Honorable High Court Division of the Supreme Court of Bangladesh. The Honorable Court did not allow the application, instead had reconstructed ILFSL's Board of Directors. Furthermore, ILFSL has also shared their rebuilding plan recently and according to their plan, the depositor companies have been given opportunity to convert their deposits at ILFSL into equity. Moreover, according to the recent media reports, ILFSL has entered into an agreement with Sonar Bangla Capital Management Ltd. on September 21, 2022 to convert their deposits and liabilities into shares subject to approval from the regulators. Unique Hotel & Resorts Ltd. has also sought legal opinion from renowned legal advisor in this matter. In these circumstances, notwithstanding the pious intent expressed in ILFSL's latest plan of rebuilding, UHRL has decided to make 50% loss allowance against principal receivable from ILFSL on a conservative approach. Such allowance represents a prudent measure of accounting on its part, it does not represent a waiver of any claim against ILFSL.

JOINT VENTURE (PROFIT OR LOSS SHARING) AGREEMENT ENFORCEMENT FOR SHERATON DHAKA

An Agreement was made between Unique Hotel and Resorts Ltd. (UHRL) and Borak Real Estate Ltd. (BREL) on December 07, 2010 for construction and operation of a five-star hotel, which was duly submitted to Bangladesh Securities & Exchange Commission before going to IPO of UHRL. According to that agreement, profit or loss from

hotel operation shall be shared between the parties at the following ratio:

- | | |
|----------------------------------|------|
| A) Unique Hotel and Resorts Ltd. | 50%; |
| B) Borak Real Estate Limited | 50% |

Subsequently, a supplementary agreement was duly signed on September 10, 2011 between the parties with the change in terms and conditions as suggested by Bangladesh Securities & Exchange Commission. This year UHRL has been recognized the loss as per the agreed terms and conditions of the agreement.

Detailed Property, plant & equipment of Sheraton Dhaka Hotel has been shown in the note no. 5 of the financial statement.

CAPITAL GAIN ON SALE OF LAND

During the financial year 2020-2021, Unique Hotel & Resorts Limited (UHRL) sold and transferred 1032.61 decimel land to Unique Meghnaghat Power Limited in exchange of 9,44,83,815 number of fully convertible irredeemable preference shares of Tk. 10.00 each in the name of Unique Hotel & Resorts Limited resulting in a total transfer value of Tk. 944,838,150. The cost of land was Tk. 473,367,691. It is to be mentioned that the said land was purchased for setting up 584 MW (Net) Gas/RLNG based Power Plant. As a result, capital gain of Tk. 471,470,459 has been recorded. Tax @4% of Tk. 37,793,526 on transfer of land u/s 53H of the Income Tax Ordinance, 1984 has already been paid at the time of transfer. Therefore, no further tax will be required to pay for the above capital gain as per section 82C of the Income Tax Ordinance, 1984.

The company also reported that the same year, Unique Hotel & Resorts Limited sold and transferred 118.33 decimel undeveloped land to Strategic Finance Limited. The cost of land was Tk. 54,244,680. However, the above land was transferred at the value of Tk. 59,165,000. As a result capital gain of Tk. 4,920,320 has been recorded. Tax @4% of Tk. 2,366,600 on transfer of land u/s 53H of the Income Tax Ordinance, 1984 has already been paid at the time of transfer. Therefore, no further tax will be required to pay for the above capital gain as per section 82C of the Income Tax Ordinance, 1984.

FUTURE PLAN

We have communicated to our valued stakeholders through previous annual reports about the future plans. Among them, the Sheraton Dhaka hotel has completed. After the simulation the restaurants, banquet services, catering, swimming pool, fitness center and other services are running in full swing and the rooms services of the hotel will be started soon.

UHRL is constructing a International chain hotel namely St. Regis Dhaka (Seven Star) for the first time in Bangladesh. We have completed the construction work up to 8 basement including foundation. Project is in the design and planning stage with international consultants and we are in the process of appointing specialized consultants in various trades of designing. The Memorandum of Understanding (MoU) has already been signed between UHRL and Marriott International (MI) and Management Agreement is under negotiation with MI. Once the design will be locked, the construction work will resume.

Unique Hotel and Resorts Plc always tries to provide the best quality service through innovative ideas. The management of the company is diversifying its portfolio by establishing a private Economic Zone under Bangladesh Economic Zones Authority (BEZA) and in this regard SEZL has already been obtained the pre-qualification certificate.

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 Meghnaghat Power Limited' for developing the Gas/R-LNG based Combined Cycle Power Generation Facility of 584 MW (Net) Capacity at Meghnaghat, Sonargaon, Narayanganj, 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 second half of the year 2023.

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:

- Continent Winner of the world Luxury Hotel 'The Westin Dhaka' Asia Luxury City Hotel Awards 2021 and also winner of the Haute Grandeur Global Excellence Awards 2021 for Best Hotel & Best Restaurant Service in Asia with seasonal Tastes.
- Received the "First Prize" last year in the Service Sector category from ICAB for Best Presented Annual Report.
- Winner of the "Gold Award" of 'ICSB Corporate Governance Excellence' 2020 for Best Corporate Governance Practice in the Services Sector category.
- Trip Advisor's Certificate of Excellence 2022.

ACKNOWLEDGEMENTS

We would like to convey our deep gratitude to the Bangladesh Securities and Exchange Commission (BSEC), Financial Reporting Council, Bangladesh (FRC), Dhaka Stock Exchange Limited, Chittagong Stock Exchange Plc, Registrar of Joint Stock Companies & Firms (RJSC), Central Depository Bangladesh Ltd. (CDBL), 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 par condition # 5) and furnished compliance report (as par 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