

Disclosure regarding Dividend Distribution Policy

In accordance with the BSEC Directive no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, Dividend Distribution Policy seeks to lay down a broad framework regarding the compliances and procedures for distribution of dividend by a listed Company among its shareholders in both Cash and Stock form.

Union Capital Limited has been experiencing financial losses for consecutive three (03) years since 2019. During 2021, UCL experienced consolidated loss of Tk. 138.56 crore and as on 31 December 2021, balance of cumulative retained loss stood at Tk. 285 crore. In consideration of occurring huge amount of loss, the Board of Directors did not recommend any dividend for the last three years i.e. for the year 2019, 2020 and 2021 and the Shareholders of the Company also approved the same in respective Annual General Meetings. As there had been no issue of dividend distribution since 2019, no policy had been adopted yet for dividend distribution. An explanation has been given in page no. 43 of Annual Report - 2021 under Directors Report in this regard.

The Board of Directors and the Managements are actively working on how UCL will be turning around. We are searching for different avenues for revival process so that UCL will come back in its normal trend of business and turn back in profitability. We are expecting to back in profitability within next few years and make our position to declare dividend for our Shareholders again, Insha - Allah. After turning back in profitability, we will adopt the policy for Dividend Distribution and incorporate the same in the Annual Report and upload the same in Company's Website.