



Price Sensitive Information

This is for information of all concerned that the Board of Directors of Union Capital Limited in its 303rd Meeting held on 07 September 2023 has approved the Audited Financial Statements of the Company for the year ended 31 December 2022 and taken the following decisions:

Items	Decision
Proposed Dividend	Nil
Record Date	04 October 2023
Date of AGM	Will notify later on
Venue	Will notify later on
Time	Will notify later on

The following information is published as per the regulatory requirements based on the approved Financial Statements:

Particulars	2022		2021	
	Consolidated	Union Capital Limited	Consolidated	Union Capital Limited
Net Profit/(Loss) After Tax (Tk. in crore)	(206.24)	(193.67)	(138.56)	(143.59)
Earnings Per Share (EPS) in Tk.	(11.95)	(11.22)	(8.03)	(8.32)
NAV Per Share (NAVPS) in Tk.	(15.86)	(15.41)	(3.91)	(4.18)
Net Operating Cash Flow Per Share (NOCFPS) in Tk.	1.34	1.27	(0.76)	0.57

Explanation:

- Consolidated EPS for 2022 has been decreased from previous year due to enhancing provision requirement as result of increased NPL, decreasing interest income resulting from no new disbursement & increased NPL; and
- NAV for 2022 has been decreased from previous year due to incurring loss of about Tk. (206.24) crore during 2022 and the main reasons for this loss are extra provision required for increased NPL, less interest income resulting from increased NPL and no new disbursement during 2022.

Material Uncertainty Related to Going Concern Disclosed by the Auditors:

We draw attention to note 17 a, in the financial position and statement of profit and loss, which indicates that the Company incurred a net loss of Tk. (2,062,349,712) and retained loss Tk. (4,914,005,454) during the year ended 31 December 2022. The Company's total liabilities surpass its total assets by Tk. 2,736,369,836 and its financial statements show a negative Net Assets Value per share Tk. (15.86), Earnings Per Share (EPS) is (11.95) and Capital Adequacy Ratio (CAR) is (15.12%) respectively. As stated in Note 17 a, these events, or conditions, along with other matters as set forth in the same note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter disclosed by the Auditors:

- We draw attention to note no. 14.1 and 14.3 in the financial statements, which describes provision against leases, advances & loans and provision against Other Assets and Accrued Interest, wherein the management has described the reason for difference of total required and maintained provision on loans and advances and other provision based on Bangladesh Bank letter no DFIM(C)/1054/26/2020-2176 dated 09 December 2020.
- Attention is drawn to note no. 15 in the financial statements, which relates to Regulatory Capital (Core Capital and Supplementary Capital) requirements. The Company must have maintained Regulatory Capital at Tk 1,690,203,164 as per section 4 (Gha) of the Financial Institutions Act, 1993 (as amended) and Bangladesh Bank Circular number 05 and 08 dated 04 July 2011 and DFIM Circular number 14 dated 28 December 2011. But the eligible capital of the Company stands as at 31 December 2022 amounting Tk. (2,460,355,128), resulting a shortfall at Tk. (4,150,558,292).
- We draw attention to note no. 7.3 to the Financial Statements, which discloses interest against the loan to its Subsidiary (UniCap Investments Limited) amounting to Tk. 1,534,900,481 as at 31 December 2022. The interest charge has been carried forwarded since October 2019.
- Attention is drawn to note no. 5 in the Financial Statements, which discloses Fixed Deposits with Bangladesh Industrial Finance Company Limited amounting to Tk. 209,667,767 and International Leasing and Financial Services Ltd. amounting to Tk. 775,669,366 as of 31 December 2022, covering 5.97% of total Assets. In the said note, the Management has also clarified their view regarding the recoverability of principal and interest amount.

Note:

- The Shareholders whose name shall appear in the Depository Register of the Company on the Record Date shall be entitled to attend the 25th Annual General Meeting.
- The honorable Shareholders are requested kindly to update the respective BO Account with email address so that we can send the Annual Report of the Company for the year 2022 through email.

By order of the Board

Sd/-
Md. Abdul Hannan
Company Secretary (CC)