



## Price Sensitive Information

This is for information of all concerned that the Board of Directors of Union Capital Limited in its 314<sup>th</sup> Meeting held on 27 June 2024 has approved the Audited Financial Statements of the Company for the year ended 31 December 2023 and taken the following decisions:

Items	Decision
Proposed Dividend	Nil
Record Date	28 July 2024
Date of AGM	10 September 2024
Medium/Venue	Hybrid System in combination of physical and digital presence. Venue of the Meeting will be notified through AGM notice
Time	11:30 AM

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

Particulars	2023		2022	
	Consolidated	Union Capital Limited	Consolidated	Union Capital Limited
Net Profit/(Loss) After Tax (Tk. in crore)	(606.97)	(602.83)	(206.24)	(193.67)
Earnings Per Share (EPS) in Tk.	(35.17)	(34.93)	(11.95)	(11.22)
NAV Per Share (NAVPS) in Tk.	(51.03)	(50.34)	(15.86)	(15.41)
Net Operating Cash Flow Per Share (NOCFPS) in Tk.	2.19	2.73	1.34	1.27

### Explanation:

- a) Consolidated EPS for 2023 has been decreased from the same period of previous year due to i) maintaining additional provision for classifying the loan outstanding lying with UniCap Investment Limited; ii) increasing provision requirement for downgradation of non-performing loans iii) decreasing interest income due to downgradation of non-performing loans, and iv) decreasing brokerage commission due to sluggish trend in capital market.
- b) NAV for 2023 has significantly decreased from previous year due to incurring net loss after tax of about Tk. 606.97 crore and the main reasons for this loss are maintaining additional provision for classifying the loan outstanding lying with UniCap Investment Limited and enhancement of required provision for loan, advances and leases, decreasing interest income resulting from down gradation of non-performing loan and decreasing of other operating income resulting from less recovery from written off clients

### Qualified Opinion Disclosed by the Auditors:

As discussed in note # 2.10 of the financial statements, as of December 31, 2023, the Company reported a loss of BDT 6,028.30 million with a negative Earnings Per Share (EPS) of BDT (34.93). The Company's accumulated loss has reached BDT 10,864.76 million, which is 68% of the total assets. Additionally, around 86.94% of the total loans, advances, and lease portfolios are categorized as non-performing. Total liabilities of the Company have increased by 31% in the current year compared to the previous year. The Company's current year total liabilities shown in the financial statements are 155% of its total assets. The Net Assets Value (NAV) per share for the current year is BDT (50.34), compared to BDT (15.41) in the previous year.

Moreover, the Company has been consistently making losses over the last 5 years: BDT (988.43) million in 2019, BDT (498.71) million in 2020, BDT (1,435.88) million in 2021, BDT (1,936.66) million in 2022, and BDT (6,028.30) million in 2023.

These above situations indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The disclosures in the financial statements are insufficient to clarify the Company's going concern status.

### Emphasis of Matter disclosed by the Auditors:

Without modifying our opinion, we draw attention to the following matters:

- a) In note no. 7.11 and 7.12 of the financial statements, the Company has disclosed the reasons that resulted in significant losses during the current year in comparison to the previous year.
- b) In note no. 15 of the financial statements, the Company has disclosed the information related to regulatory capital (Core Capital and Supplementary Capital) requirements. The Company has to maintain regulatory capital amounting to BDT. 1,401,442,806 as per the Bangladesh Bank's circular no. 05 dated 4<sup>th</sup> July 2011 and DFIM circular no. 14 dated 28<sup>th</sup> December 2011. But the eligible capital of the Company stands as at 31<sup>st</sup> December 2023 amounting to BDT (8,504,935,690), resulting in a shortfall at BDT (9,906,378,496).

### Note:

- a) The share holders whose name shall appear in the Depository Register of the Company on the Record Date shall be entitled to attend the 26<sup>th</sup> Annual General Meeting.
- b) 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 2023 through email.

By order of the Board

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