



Price Sensitive Information

This is for information of all concerned that the Board of Directors of Union Capital Limited in its meeting held on 29 June 2025 has approved the Audited Financial Statements of the Company for the year ended 31 December 2024 and taken the following decisions

Items	Decision
Proposed Dividend	Nil
Record Date	30 July 2025
Date of AGM	23 September 2025
Venue	Will notify later on through AGM Notice
Time	Will notify later on through AGM Notice

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

Particulars	2024		2023	
	Consolidated	Union Capital Limited	Consolidated	Union Capital Limited
Net Profit/(Loss) After Tax (Tk. in crore)	(207.00)	(195.92)	(606.97)	(602.83)
Earnings Per Share (EPS) in Tk.	(11.99)	(11.35)	(35.17)	(34.93)
NAV Per Share (NAVPS) in Tk.	(63.02)	(61.69)	(51.03)	(50.34)
Net Operating Cash Flow Per Share (NOCFPS) in Tk.	3.03	2.76	2.19	2.73

Explanation:

- The consolidated EPS has increased in 2024 compared to the same period of the previous year, primarily due to: (i) a reduction in provision requirements for loans, advances, and leases; and (ii) a decrease in operating expenses resulting from effective cost management and control measures.
- During the period ended 31 December 2024, NAV has been decreased to BDT (63.02) from BDT (51.03) of previous year due to incurring net loss after tax of about BDT (207.00) crore and the main reasons for this loss are decrease of net interest income, investment income and other operation income.

Basis for Qualified Opinion:

- As disclosed in Note 12 to the financial statements, the Company reported term deposits amounting to BDT 7,936.22 million as at 31 December 2024. Due to financial constraints, a significant portion of these obligations remained unsettled upon maturity. The Company has either not or has been accruing interest expense on these deposits using a simple interest method—i.e., applying interest to the outstanding principal only—rather than following the effective interest method as required under IFRS 9 – Financial Instruments. This has resulted in an understatement of interest expense, estimated at approximately BDT 193 million for the year ended 31 December 2024, without confirming the cumulative impact. In addition, while external confirmations were sought for deposit balances, some responses were either not received or reflected differences when compared with the Company's records. As a result, our ability to obtain complete and conclusive audit evidence over the term deposit balances and related interest liabilities was constrained.
- The Company's subsidiary, Unicap Investments Limited, has not recognized interest expense amounting to BDT 296.41 million payable to its parent, Union Capital Limited, in its separate financial statements. This represents a departure from the accrual basis of accounting as required under IAS 1 – Presentation of Financial Statements, which mandates that expenses be recognized when incurred, and from IFRS 9 – Financial Instruments, which outlines requirements for the recognition of financial liabilities and related interest costs. As a result, the separate financial statements of Unicap Investments Limited have been qualified by us, as the auditor of that company.

While this omission does not impact the Group's consolidated financial performance or position—since the intercompany expense is eliminated on consolidation—it nevertheless indicates a weakness in intercompany reconciliation controls and constitutes a departure from the recognition and measurement requirements under the International Financial Reporting Standards at the component level. In the absence of sufficient justification or audit evidence supporting the subsidiary's non-recognition of this liability, we were unable to obtain reasonable assurance as to the reliability and compliance of Unicap Investments Limited's separate financial reporting process.

Emphasis of Matter:

We draw attention to Note 2.10 and Note 15 to the financial statements, which describe the Company's capital shortfall and material uncertainties regarding its ability to continue as a going concern, along with its rationale for preparing the financial statements on a going concern basis. As at 31 December 2024, the Company's separate retained earnings reflect an accumulated loss of BDT 12,823.92 million, arising from consecutive years of net losses. This has resulted in a capital deficit of BDT 11,962.79 million (capital adequacy ratio: -76.50%; consolidated: -85.32%), which falls significantly below the minimum capital requirements prescribed by Bangladesh Bank under the Guidelines on Capital Adequacy and Market Discipline for Financial Institutions and the DFIM Circular No. 5, dated July 2011, in line with the Basel II framework. Furthermore, the understatement of expenses described in the Basis for Qualified Opinion (Point 1) would further erode the Company's capital position. In addition, uncertainties relating to potential regulatory actions, including media reports regarding possible suspension of the Company's license, raise significant doubt about its ability to continue as a going concern without external financial and regulatory support.

Our opinion is not modified in respect of this matter.

Note:

- The share holders whose name shall appear in the Depository Register of the Company on the Record Date shall be entitled to attend the 27th 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 2024 through email.

By order of the Board

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