

DIRECTORS' REPORT

TO THE SHAREHOLDER

The Board of Directors is pleased to present the Annual Report 2020-21 and the audited financial statements of the Company for the financial year ended 30 June 2021 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 the report will give greater insights of the Company's performance during the year under review.

INDUSTRY OUTLOOK

The pandemic has confronted the hospitality industry with an unprecedented challenge. Strategies to flatten the COVID-19 curve such as 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. Due to maintain the social distances and restrictions for some corporate social elements, the overall Revenue dropped significantly.

The main revenue of the Hotel's (The Westin Dhaka and Hansa Residence) comes from room and food and beverage (F&B) services almost 90% which sell to the foreign and local guest of different corporate clients. During this COVID-19 pandemic period, demand for room and F&B has reduced remarkably due to travel band on international flights and also many corporate, factories, offices, production plants were shut down. During the current financial year (2020-2021) the UHRL total revenue was 675 million which is 57% lower compare to the same period last year which ultimately impacted on profitability and earnings per share (EPS).

According to the Civil Aviation Authority of Bangladesh, on-arrival visas for all nationalities have been confined during the pandemic situation. Due to the cancellation of scheduled tour packages from abroad, the tour operators in Bangladesh are struggling to sustain. Besides, domestic tourists are expected to maintain self-isolation. As a consequence, the domestic, inbound and outbound tourism sector in Bangladesh is facing enormous economic losses. With restricted travel and cancellation of business flights, the luxury hotel industry has also been facing the domino effect of economic fallout. The occupancy rates of luxury hotels have declined by staggering amounts since pandemic situation arose in Bangladesh which started from February 2020 onwards. While the hotels would have witnessed occupancy rates of 75% to 80% in usual times, the current rates have plunged to an average of 10% to 15%.

Due to the pandemic COVID -19 massive distraction the domestic, inbound and outbound tourism sector in Bangladesh is facing enormous economic losses and job cuts. Simultaneously, restricted travel and cancellation of business flights, the luxury hotel industry has also been facing the domino effect of economic fallout which has had a negative impact on the foreign visitors and thus our revenue. Despite all of these hazards and future state of competition, we are optimistic about the Company's future and about our ability to continue to deliver superior returns to our shareholders in the coming year. Now we have already established the Brand "The Westin Dhaka" and "Hansa Residence" as the hotel of "First choice" for the foreign and local clients.

COVID-19 IMPACT

The COVID-19 pandemic has spread rapidly since the last of the March 2020, with a significant number of cases and measures taken by Bangladesh governments to contain the virus have affected economic activity. We have taken various measure to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the supply of materials that are essential to our production process.

to September 2021 has increased by 16% versus April to June 2021. Moreover, room and F&B revenue has seen an increase of 31.7% and 3.2% respectively for the period mentioned above 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. As per the media report the international flights has already opened and 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.

COMPANY'S FINANCIAL PERFORMANCE

The Directors take pleasure in reporting the Financial Results of the Company for the financial year ended 30 June 2021 as follows:

Particulars	2020-21	2019-20 (Restated)
Revenue	675,400,089	1,574,890,441
Cost of Goods Sold	(234,533,439)	(376,074,900)
Gross Profit	440,866,650	1,198,815,541
Provision for WPPF	(15,753,687)	(22,782,838)
Profit before tax	315,073,737	455,656,751
Provision for Income tax	(98,993,147)	(175,481,595)
Net Profit after tax	414,066,884	280,175,156
Earnings per share (EPS)	1.41	0.95
Net Asset Value (NAV)	23,973,347,492	23,455,645,315
Net Asset Value Per Share (NAVPS)	81.43	79.67

SI	Operational Results	1st July 2020 to 30 June 2021		1st July 2019 to 30 June 2020	
		Solo	Consolidated	Solo (Restated)	Consolidated (Restated)
01.	Earnings Per Share (EPS)	1.41	(0.33)	0.95	0.88
02.	Net Operating Cash Flow Per Share (NOCFPS)	1.10	0.94	3.84	3.78

SI	Financial Position	30 June 2021		30 June 2020	
		Solo	Consolidated	Solo (Restated)	Consolidated (Restated)
01.	Net Asset Value (NAV)	23,973,347,492	25,915,557,745	23,455,645,315	24,162,681,746
02.	Net Asset Value Per Share (NAVPS)	81.43	88.03	79.67	82.07

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.

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-D/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 2017 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.

DIVIDEND RECOMMENDED

Considering the current market scenario and pandemic situation Board of Directors has recommended 10% cash dividend for the year ended June 30, 2021 for the General Shareholders (The Sponsor shareholders & Directors of the Company will not receive any dividend) subject to approval by the shareholders in the 20th AGM. Total paid up number of shares is 29,44,00,000 nos. and General Shareholders holding is 159,631,528 number of shares. Sponsor shareholders & Directors are holding 134,768,472 nos. of shares (except independent & nominated Director).

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

At this stage, the impact on our business and results

Year	Dividend Payout (%)
2015-16	22% Cash Dividend
2016-17	20% Cash Dividend
2017-18	22% Cash Dividend
2018-19	20% Cash Dividend
2019-20	10% Cash Dividend
2020-2021(Recommended)	10% Cash Dividend for general shareholders

has been significant, however our total revenue for July We are committed to keeping continuity and consistency in the payment of dividend vis-à-vis the market scenario in the coming years.

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 kept 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 OF 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.

PAYMENT OF UNCLAIMED OR UNPAID CASH DIVIDEND AND STOCK DIVIDEND

UHRL shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force. UHRL shall follow the rules & regulations of the regulators issued time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders. This year UHRL will transfer the unclaimed or unpaid cash dividend and stock dividend and non-refunded public subscription money to the Capital Market Stabilization Fund (CMSF) positively.

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, 2021.

STATEMENT ON COMPLIANCE

The financial statements have been prepared in accordance with the applicable Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting

Standards (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

OTHER REGULATORY COMPLIANCES

The group is also required to comply with the following major laws and regulations in addition to the Companies Act, 1994 (2nd amendment took place in 2020): The Securities & Exchange Rules 1987, The Securities & Exchange Ordinance 1969, The Regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, 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, Bangladesh Labor Act, 2006 (Amended in 2013& 2018) Bangladesh Labor Rules, 2015; and Financial Reporting Act, 2015

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 BAS 1: "Presentation of Financial Statements". A complete set of financial statements for the year ended on 30 June 2021 comprises:

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

GOING CONCERN

As per BAS-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. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

UNIQUE HOTEL & RESORTS LTD.

Management have assessed all the other areas of operations and disclosure accordingly and found no significant impact of COVID-19 except discussed below and no uncertainty about the entity's ability to continue as a going concern is identified.

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

STATUTORY AUDITOR

The statutory audit is governed by the Companies Act, 1994 (2nd Amendment 2020), The Bangladesh Securities and Exchange Commission's Ordinance, 1969, Bangladesh Securities and Exchange Commission's Rules 1987 and applicable laws of Bangladesh, which explicitly provide guidelines for the appointment, scope of work and retirement of auditors. 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 one 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 2021-22 subject to the approval of the Shareholders in the ensuing 20th AGM of the Company scheduled to be held on 27 December 2021.

CG COMPLIANCE AUDITORS

Pursuant to the compliance with the Corporate Governance Code of the Commission BSEC/CMRRC

D/2006-158/207/Admin/80 dated 03 June 2018 issued by Bangladesh Securities Exchange Commission(BSEC) under section 2CC of the Securities and Exchange Ordinance, 1969, each Company shall obtain a certificate from a practicing Professional Accountant / Secretary regarding compliance of conditions of Corporate Governance Code of the Commission and shall send the same to the shareholders along with the Annual Report on yearly basis.

The existing CG Compliance Auditor M/s. Itrat Hussain & Associates, Chartered Secretaries will complete the consecutive three years of certification and they will retire in the 20th AGM. As Such, three Audit firms have expressed their interest to become the auditor for the year ended June 30, 2022. Among the three firms the Board of Directors recommended for appointment of M/S. Mohammadullah & Associates, Practicing Chartered Secretaries as CG compliance Auditor for certification of compliance on Corporate Governance for the year ended 30 June 2022 subject to the approval of the shareholders in the 20th Annual General Meeting. The Compliance Certificate for the year ended June 30, 2021 has obtained from M/s. Itrat Hussain & Associates, Chartered Secretaries and certifies that the Company has duly complied with all the regulatory requirements as stipulated in the new Corporate Governance Code.

INDEPENDENT SCRUTINIZER

As per the Directive of Bangladesh Securities and Exchange Commission (BSEC) vide no. BSEC/CMRRC-D/2009-193/08; dated:10 March 2021, clause (9), an Independent Scrutinizer is required to appoint for observing the due diligence and AGM process, election procedure and detailed information of voting results shall be authenticated by the concerned stock exchange(s) by an independent Scrutinizer (who has professional experience and qualification of Chartered accountants or chartered Secretaries) as appointed by the issuer company, and such authenticated report shall be submitted to the commission within 48 (forty-eight) hours of conclusion of the general meeting.

Consequently, three firms have expressed their interest to become an Independent Scrutinizer for the ensuing 20th Annual General Meeting to be held at the virtual platform. Among the three firms the Board of Directors selected and appointed M/S. Mohammad Sanullah & 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 20th 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 2021. and Corporate Governance compliance Auditor M/s Itrat Hussain & Associates, Chartered Secretaries 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, Gazi Md. Shakhawat Hossain, Director will retire in the 20th AGM and also eligible for re-election.

ELECTION / RE-ELECTION OF DIRECTORS

Being eligible, Rtn. Ghulam Mustafa representing Purnima Construction (Pvt.) Limited & Mr. Md. Saiful Islam representing Borak Real Estate Limited, Nominated Directors appointment in 147th BOD Meeting subject to the approval of shareholder in ensuing 20th AGM.

APPOINTMENT AND / OR REAPPOINTMENT OF INDEPENDENT DIRECTOR

As per the Condition no.01, Sub Condition no. 2(e) of Corporate Governance Code gazette on 03 June 2018 issued by Bangladesh Securities & Exchange Commission, the tenure of the office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Accordingly, Mohammed Forkan Uddin FCA, Independent Director Completed his consecutive Three years tenure and eligible for re-appointment for an extended tenure.

As Mr. Kazi Mahmood Sattar, former Independent Director has completed his consecutive two terms i.e., 06 years as Independent Director, in the vacant position two Independent Director had been appointed in 142nd BOD Meeting subject to the approval of the shareholder in ensuing 20th AGM. The newly appointed Independent Director were Mr. N K A Mobin FCS, FCA & Professor. Mohammed Ahsan Ullah.

COMPOSITION OF BOARD

The Board of Directors consists of 11 (Eleven) 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.

BOARD MEETING

The Board meets regularly to discharge its duties effectively. Eleven (11) meetings of the Board of Directors were held during the year 2020-21 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.

- **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.
- **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.

QUORUM OF THE BOARD AND BOARD COMMITTEE MEETING

During the financial year 2020-21, the Board of Directors and Board Committee's 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.



INDEPENDENT DIRECTOR

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board. Mr. Mohammed 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, Risk management 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 provides each of the Committees with secretarial services. Committee meeting agenda, papers and minutes are made available to all members.

AUDIT COMMITTEE (AC)

The Audit committee is comprised of 03 (three) members of the Board of Directors. The Chairman of the committee is an Independent Director. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a congenial working method in the organization as per guidelines of the Regulators. In 2020-21 the committee conducted 09 (Nine) meetings. The attendance record of the committee meetings held during the year is shown in the Audit Committee.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

Pursuant to the section 6 (2) (a) (b) of the new Governance Code of the Commission, the Board of Directors constituted the Nomination and Remuneration Committee. The Committee is comprised of 03 (three) members of the Board of Directors. The Chairperson of the committee is an Independent Director. Company Secretary of the Company acts as the Secretary to the Nomination and Remuneration Committee. The Committee has been constituted by the Board of Directors to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executives. As per the Corporate Governance Code, in the financial year 2020-21 the committee conducted 02 (two) meetings. The attendance record of the committee meetings held during the year is shown in the Nomination and Remuneration Committee report.

BOARD CSR COMMITTEE

The Board CSR committee is comprised of five members, of which, an Independent Director is the member. The purpose of the Board CSR Committee is to ensure long term sustainability of the Company aspirations and management of the Company's CSR initiatives.

The initiatives are managed in a way that secures business stability, sustain positive image and reputation of the Company and establishes the Company's commitment to the nation at large. The CSR committee met three times in 2020-21. The initiatives are all aligned with the SDG's and we are contributing to fulfilling the Government's commitment to the nation at large.

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 2020 to 30 June 2021 Unique Hotel & Resorts Limited contributed a substantial amount to the society. During the COVID-19 pandemic UHRL has donated 2.00 crore taka to the Prime Minister Welfare Fund.

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.

In order to ensure organizational independence of Internal Audit, the head of Internal Audit reports functionally to the Audit Committee and administratively to the 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 Accounting Standards, as applicable in Bangladesh, have been followed and adequately disclosed. Internal audit is being carried out by HodaVasi Chowdhury & Co., a renowned Accountancy firm in Bangladesh, along with internal audit team of The Westin Dhaka.

The statutory auditor M/S S F Ahmed & Co., Chartered Accountants member firm of HLB International 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 2020 and its financial performance and its cash flows for the year than ended in accordance with Bangladesh Accounting Standard (BASs) 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 Itrat Hussain & Associates, Chartered Secretaries 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 Itrat Hussain & Associates, Chartered Secretaries 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.

FUTURE PLAN

We have communicated to our valued stakeholders through previous annual reports that two or more five-star hotels are going to be established in the coming years. The structural construction of one of the hotels (Branded Serviced Apartment which will be managed by Westin) has completed and the Interior decoration and others is going on and will be completed by mid of 2023. Moreover, the Sheraton Dhaka hotel is completed which pre-opening activities is running and hope it will be able to inaugurate the hotel very soon. We couldn't start the operation this year first quarter due to the pandemic COVID-19.

Your Company always tries to provide the best quality service through innovative ideas. The management of Unique Hotel & Resorts is diversifying its portfolio by establishing a private Economic Zone. Other notable project is the St.Regis Dhaka (7 - star hotel) which will be the Iconic Business Hub and luxury hotel first ever in Bangladesh.

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 2022.

Unique Hotel & Resorts Limited is working with immense motivation and innovation to lead the Company to a new spectrum that will serve as an example for not only the Bangladeshi but also the South Asian Hospitality sector. Our distinctive strength to achieve the vision is our dedicated and competent employees, which I always appreciate. I am also thankful to the Board of Directors for their visionary role and guidance to survive our business in the pandemic COVID-19.

IMPAIRMENT OF ASSETS:

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

a) Impairment of property, plant and equipments : 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.

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.
- TripAdvisor’s Certificate of Excellence 2020.

ACKNOWLEDGEMENTS

Despite of disrupted business condition due to COVID-19 impact Unique Hotel & Resorts Limited (Owner of The Westin Dhaka and Hansa Residence) is working with immense motivation and innovation to lead the Company to a new spectrum that will serve as an example for not only the Bangladeshi but also the South Asian Hospitality sector. Our distinctive strength to achieve the vision is our dedicated and competent employees, which I always appreciate. We are also thankful to the Board of Directors for their visionary role and guidance.

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 Limited, 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 per condition # 5) and furnished compliance report (as per 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