

# Unique Hotel & Resorts Limited

(If there is any contrary information please communicate with DSE through

email: [listing@dsebd.org](mailto:listing@dsebd.org))

**Disclaimer:**

**The contents of this presentation are entirely based on disclosures made by the company. Therefore, DSE does not assume any responsibility on the authenticity of the facts and figures presented thereof.**

## **Brief Overview of the Company**

1. Date of Incorporation : 28 November 2000
2. Date of Commercial operation : 28 November, 2000
3. Authorized Capital : Tk. 10,000 mn
4. Paid up Capital (Pre-IPO) : Tk. 2,300.00 mn

## **Details of the Issue:**

Description	Ordinary Shares	Face Value In Taka	Indicative Price	Capital in Taka
Public Offering	30,000,000	10	185	300,000,000
<b>Total Issue</b>	30,000,000	10		300,000,000

## **CAPITAL STRUCTURE:**

PARTICULARS	Amount in Taka
<b>Authorized Capital</b>	10,000,000,000
1,000,000,000 Ordinary Shares of Tk. 10 each.	
<b>1. Issued, Subscribed &amp; Fully Paid Up</b>	2,300,000,000
230,000,000 Ordinary Shares of Tk. 10 each have been subscribed and paid in full.	
<b>2. Initial Public Offering (IPO):</b> Issue of 30,000,000 Ordinary Shares of Tk. 10 each	300,000,000
<b>Total Paid Up Capital after IPO (1+2)</b>	<b>2,600,000,000</b>

**Issue Manager : BRAC EPL Investments Limited**

**Auditor : S. F. Ahmed & Co**

## **Company at a glance**

Unique Hotel & Resorts Ltd, a sister concern of "Unique Group", was incorporated in Bangladesh as a Public Company on 28 November 2000 under the Companies Act, 1994 with the vision to be the leading Pioneer in bringing Leading Hotel management and constructing them following ISO Standards and Providing most efficient Customer Service and be the first of its kind in Bangladesh and gradually become one of the Leaders in them Asia Region. Under the execution of a Management Agreement with Westin Asia Management Co. (a fully-owned subsidiary of Starwood Hotel and Resorts Worldwide Inc.) on 17 December 1999, Unique Hotel is operating with the brand name, resources and technical know-how.

Commencing the business in 28 November, 2000 as a public limited company, Unique Hotel & Resorts Ltd. has raised its paid-up capital by four times through allotment of new shares among the existing shareholders. At present, the company's authorized capital stands at Tk 10 Billion (Ten Billion) and paid-up capital stands at Tk. 2.3 billion.

### **Services of the company:**

WESTIN HOTEL has 241 rooms of different categories including Presidential Suite having Heavenly Bed to meet the requirements of diversified range of guests. There are 203 Standard Rooms of approximately 380 sft; 38 Suites equivalent to 2-3 standard rooms; and 1 Presidential Suit of 1,411 sft in size with a hall and state of art facilities. Other facilities include:

- Italian Cuisine "Prego" Restaurant at Level 23 along with Show Kitchen which nourishes the spirit with rich colors, flavors, aromas and true taste of Italy in a tranquil and exquisite impression
- State of Art Business Centre with Board Room offering 24-hour services of printing, copying, self-service PC and wireless internet;
- Executive Lounge at Level 21 for VIP guests ;
- Quality Westin Standard Bakery Facility for guests/customers;
- State of Art separate Male and Female Health Club featuring top-of-the-line fitness equipment including cardiovascular equipment, weight machine, steam room, Jacuzzi and sauna and SPA package of two-hour everyday with the offer of 15% discount on further treatments booked on the same day;
- Unique Design SPA swimming pool at Level 5 which is temperature controlled;
- Ballroom Pre-Function/Meeting Space for 700 people with state-of-the-art audio-visual equipment, non-smoking event facilities and new generation setup for events in modern ;
- Shopping Arcade of 1,600 sft with the facility of cash machine and currency exchange and also nearby shopping facility in Nandan, Bashudhara Shopping Mall, Aarong and Shoppers World;
- Babysitting services, Westin Kids Club Amenities and Kids Pool to offer the kids a joyous atmosphere
- Facility of Luggage storage and safe deposit boxes
- Wireless Internet Facility accessible from all guest rooms and lobby and high-speed internet access throughout the hotel;
- In-house Valet Laundry Facility for guests/customers;

- Car Parking for 600 vehicles to accommodate for meetings and events and Limousine service;
- Seven Lifts and two Escalators for guests/customers providing the guests with the opportunity to avoid waiting in lines.

#### Use Use of Proceeds:

This is certifying that the IPO proceeds from issuance of share of Unique Hotel & Resorts Limited shall be utilized in the following purposes:

<b>IPO Proceeds:</b>	<b>Figures In Million</b>	<b>Use of IPO Proceeds</b>	<b>Figures In Million</b>
Issue of 30 Mill. of ordinary share Tk. 10 Each	Tk. 300.00	To Establish three Hotel at Dhaka	Tk. 16,947.04
Share Premium	Tk. 6,030.00	Repayment of Bank loan	Tk. 563.10
		IPO Expenses : For Issue Management	Tk. 84.23
		For 3% tax on Issue Proceeds (Estimated*)	Tk.180.90
<b>Total</b>	<b>Tk. 6,330.00</b>	<b>Total</b>	<b>Tk. 17,775.27</b>

The proceeds from the initial public offering (IPO) of Unique Hotel & Resorts Limited will be utilized to pay off the outstanding balance of BDT 563.10 million of the secured term loan from Prime Bank Limited, Banani Branch.

#### INFORMATION ABOUT DIRECTORS & OFFICERS:

<b>Sl. No.</b>	<b>Name</b>	<b>Age (Years)</b>	<b>Experience (Years)</b>	<b>Position</b>	<b>Nominated by</b>	<b>Period of Nomination</b>
1	Ms. Salina Ali	51	30	Chairperson		
2	Mr. Mohd. Noor Ali	56	32	Managing Director		
3	Mr. Neaz Ahmed	55	31	Director	Borak Real Estate (Pvt.) Ltd.	*
4	Mr. Gazi Md. Shakhawat Hossain	40	20	Director	Unique Eastern (Pvt.) Ltd.	*
5	Mr. M. H. Chowdhury	67	41	Director	Borak Travels (Pvt.) Ltd.	*

\* Until further information

<b>Sl. No.</b>	<b>Name</b>	<b>Position</b>	<b>Date of first becoming Director</b>	<b>Date of Expiration of Current Term</b>
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1	Ms. Salina Ali	Chairperson	November 28, 2000	11 <sup>th</sup> AGM in 2012
2	Mr. Mohd. Noor Ali	Managing Director	November 28, 2000	10 <sup>th</sup> AGM in 2011
3	Mr. Neaz Ahmed (Nominated by Borak Real Estate (Pvt.) Ltd.)	Director	June 28, 2010	10 <sup>th</sup> AGM in 2012
4	Mr. Gazi Md. Shakhawat Hossain (Nominated by Unique Eastern (Pvt.) Ltd.)	Director	November 28, 2000	11 <sup>th</sup> AGM in 2012
5	Mr. M. H. Chowdhury (Nominated by Borak Travels (Pvt.) Ltd.)	Director	November 28, 2000	11 <sup>th</sup> AGM in 2012

**Directors Involvement in Other Companies:**

Sl. No.	Name	Name of company where the director is involved	Position in that company
1	Ms. Salina Ali (Chairperson)	Unique Group of Companies Ltd	Chairperson
		Unique Hotel & Resorts Ltd	
		Borak Real Estate (Pvt) Ltd	
		Unique Ceramic Industries (Pvt) Ltd	
		Borak Travels (Pvt) Ltd	
		Unique Eastern (Pvt) Ltd	
		Unique Property Development Ltd	
		Unique Share Management Ltd	
2	Mr. Mohd. Noor Ali (Managing Director)	Unique Group of Companies Ltd	Managing Director
		Unique Hotel & Resorts Ltd	
		Borak Real Estate (Pvt) Ltd	
		Unique Ceramic Industries (Pvt) Ltd.	
		Borak Travels (Pvt) Ltd.	
		Unique Eastern (Pvt) Ltd.	
		Unique Property Development Ltd.	
		Unique Share Management Ltd.	
		Unique Shakti Ltd.	
		Unique Vocational Training Centre Ltd.	
		Eastern Bank Ltd.	Chairman
3	Mr. M. H. Chowdhury	Unique Hotel & Resorts Ltd.	Director

	(Director Nominated by Borak Travels (Pvt.) Ltd.)	National Housing Finance and Investment Ltd.	
4	Mr. Gazi Md. Shakhawat Hossain (Director Nominated by Unique Eastern (Pvt.) Ltd.)	Unique Hotel & Resorts Ltd.	Director
		Eastern Bank Ltd.	
		Purnima Construction (Pvt.) Ltd.	Managing Director
		Bay Hill Hotel & Resorts Limited	Chairman
5	Mr. Neaz Ahmed (Director Nominated by Borak Real Estate (Pvt.) Ltd.)	Unique Hotel & Resorts Ltd.	Director

#### Ownership of the Company's Securities:

SI No.	Name of the Shareholders	Address	Number of Shares	% of Total Shareholding
1.	Borak Real Estate (Pvt.) Ltd	51/B, Kemal Ataturk Avenue, Banani, Dhaka-1213.	50,700,380	22.04%
2.	Borak Travels (Pvt.) Ltd.	-Do-	12,250,380	5.33%
3.	Unique Eastern (Pvt.) Ltd.	-Do-	19,100,380	8.30%
4.	Mr. Mohd. Noor Ali	House#13, Road#63, Gulshan-02. Dhaka.	14,400,620	6.26%
5.	Mrs. Salina Ali	-Do-	13,947,880	6.06%
6.	Ms. Nabila Ali	-Do-	11,400,120	4.96%
7.	Ms. Nadiha Ali	-Do-	11,400,120	4.96%
8.	Ms. Nadiha Ali	-Do-	11,400,120	4.96%
9.	Md. Showkat Ali Chowdhury	J.M.Paradise (2 <sup>nd</sup> Floor), 22, Momin Road, Chittagong.	3,000,000	1.30%
10.	Crescent Limited	7/A Shantibagh (Rajarbagh). Dhaka	10,000,000	4.35%
11.	Pharmatech Chemicals Ltd.	126 Kathaldia, Anchi Para, Tongi, Gazipur.	3,000,000	1.30%
12.	Shore Cap. Holdings Ltd.	BSEC Bhaban, Level-4, 102 Kazi Nazrul Islam Avenue, Dhaka.	8,000,000	3.48%
13.	Mehmood Equities Ltd.	Spring Garden B-03, House#13, Road#133/A, Gulshan-2. Dhaka.	1,000,000	0.43%
14.	Absolute Return Ltd.	House#08, Road#04, Mirpur Road, Dhanmondi, Dhaka.	1,600,000	0.70%
15.	Humayun Kabir	67, Naya Palton, City Heart Building (5 <sup>th</sup> floor), Dhaka.	400,000	0.17%
16.	Mohammed Younus	House#47, Flate#3C, Road#05, Dhanmondi, Dhaka.	1,000,000	0.43%

17.	Advent Equity Management Ltd.	House#08, Road#04, Mirpur Road, Dhanmondi, Dhaka.	3,000,000	1.30%
18.	Innovative Capital Management Ltd.	BSEC Bhaban, Level-4, Mirpur Road, Dhaka.	2,000,000	0.87%
19.	Anannya Development (Pvt.) Ltd.	51/B Kemal Ataturk Avenue, Banani, Dhaka	11,200,000	4.87%
20.	Purnima Construction (Pvt.) Ltd.	51/B Kemal Ataturk Avenue, Banani, Dhaka	11,200,000	4.87%
21.	399 other Persons		30,000,000	13.04%
22.	<b>Total</b>		<b>230,000,000</b>	<b>100%</b>

#### Shareholding by the Directors of the Company:

Name of the Directors	Status	Number of Shares	% of Total Shareholding
Mr. Mohd. Noor Ali	Sponsor & Managing Director	14,400,620	6.26%
Ms. Salina Ali	Sponsor & Chairperson	13,947,880	6.06%
Mr. M. H. Chowdhury	Director (Nominated by Borak Travels (Pvt.) Ltd.)	Nil	Nil
Mr. Gazi Md. Shakhawat Hossain	Director (Nominated by Unique Eastern (Pvt.) Ltd.)	Nil	Nil
Mr. Neaz Ahmed	Director (Nominated by Borak Real Estate (Pvt.) Ltd.)	Nil	Nil

#### Breakdown of Estimated expenses for IPO:

I. Issue Management Fee BDT 20,000,000.00

II. Underwriting Commission: 0.2% on the 50% of public offer. The details of the floatation cost for the IPO is given below:

Particulars	Rate	Amount (BDT)
Issue Management Fee	Fixed	20,000,000
Registrar to the Issue Fee	Fixed	500,000
Underwriting Fee	0.20% on BDT 300.0 million	6,000,000
Bankers' to the Issue Fee	0.10% on the fund to be collected	6,000,000
<b>Regulatory Fee:</b>		
SEC Application Fee	Fixed	10,000
SEC Consent Fee	0.15% on the issue size	9,000,000
<b>Stock Exchange Fees:</b>		
DSE Application Fee	Fixed	5,000
Listing Fee DSE & CSE	0.25% on first BDT 100 million	18,200,000
	0.15% on the rest amount	
Annual Listing Fee_ DSE & CSE	Above BDT 1000 million paid up capital	200,000
<b>CDBL related expenses:</b>		
Total CDBL Fee		2,102,500

Post Issue Expenses	Approximate	22,409,000
<b>Total</b>		<b>84,226,500</b>

## Performance at a Glance

Tk. in million

Particulars	31.12.2005	31.12.2006	31.12.2007	31.12.2008	31.12.2009	30.06.2010 (Half Yearly)
Total Revenue	<b>12.93</b>	<b>15.03</b>	<b>254.69</b>	<b>1,060.80</b>	<b>1,159.32</b>	<b>734.52</b>
<i>Growth</i>		16.19%	1594.99%	316.51%	9.29%	-36.64%
Operating Cost	10.75	11.32	118.03	317.20	295.85	166.89
<i>Growth</i>		5.34%	942.67%	168.74%	-6.73%	-43.59%
Gross Profit	2.19	3.71	136.65	743.60	863.47	567.62
<i>Growth</i>		69.48%	3587.72%	444.15%	16.12%	-34.26%
Administrative & Other Expense	0.43	0.52	84.41	274.65	286.09	157.95
EBIT/Operating Profit	1.76	3.18	52.24	468.95	577.38	409.67
<i>Growth</i>		80.76%	1542.38%	797.62%	23.12%	-29.05%
Financial and non-operating expenses	-	-	29.00	467.46	303.54	112.59
<i>Growth</i>				1511.97%	-35.07%	-62.91%
Other income	1.58	0.59	0.81	58.11	156.16	410.05
Profit Before Tax	3.34	3.77	24.06	59.60	429.99	707.14
<i>Growth</i>		12.97%	538.02%	147.72%	621.52%	64.45%
Provision For Tax	1.34	1.51				
Dividend paid on Preference Share					18.00	16.20
Net Profit After Tax	2.00	2.26	24.06	59.60	411.99	690.94
<i>Growth</i>		12.97%	963.36%	147.72%	591.31%	67.71%
Total Assets	1,806.13	2,851.74	3,868.53	4,077.20	9,262.91	15,048.17
<i>Growth</i>		57.89%	35.66%	5.39%	127.19%	62.46%
Intangible Assets						
Net Assets	1,103.37	1,105.63	1,129.69	1,153.28	7,119.10	13,453.53
<i>Growth</i>		0.21%	2.18%	2.09%	517.29%	88.98%
NAV per share	10.03	10.05	10.27	10.48	35.60	58.49
<i>Growth</i>		0.21%	2.18%	2.09%	239.51%	64.33%
<b>NAV per share (restated)</b>	<b>4.24</b>	<b>4.25</b>	<b>4.34</b>	<b>4.44</b>	<b>27.38</b>	<b>51.74</b>
<i>Growth</i>		0.21%	2.18%	2.09%	517.29%	88.98%
EPS	0.02	0.02	0.22	0.54	2.06	3.00
<i>Growth</i>		12.97%	963.36%	147.72%	280.22%	45.83%
<b>EPS (restated)</b>	<b>0.01</b>	<b>0.01</b>	<b>0.09</b>	<b>0.23</b>	<b>1.58</b>	<b>2.66</b>
<i>Growth</i>		12.97%	963.36%	147.72%	591.31%	67.71%

Contd.

<b>Particulars</b>	<b>31.12.2005</b>	<b>31.12.2006</b>	<b>31.12.2007</b>	<b>31.12.2008</b>	<b>31.12.2009</b>	<b>30.06.2010 (Half Yearly)</b>
Shareholders' Equity	1,103.37	1,105.63	1,129.69	1,153.28	7,119.10	13,453.53
No. of Shares	110,000,000	110,000,000	110,000,000	110,000,000	200,000,000	230,000,000
IPO						30,000,000.00
Post IPO Number of shares						260,000,000

## Net Asset Value per share

(As per audited accounts)

Particulars:	30.06.2010	31.12.2009
A.1 Non Current Assets	10,422,990,078	8,252,052,465
Property, Plant and Equipment	10,416,999,002	8,246,061,389
Preliminary Expenses	5,991,076	5,991,076
A.2 Current Assets	4,625,181,290	1,010,857,650
Inventories	53,877,101	63,714,282
Investment in Shares	1,269,308,388	-
Accounts Receivable	69,826,239	48,842,166
Advances, Deposits and Prepayments	785,395,182	383,230,365
Other Receivables	670,717,505	79,377,861
Cash and Cash Equivalents	1,776,056,875	435,692,976
A.3 Total Assets (A.1+A.2)	15,048,171,368	9,262,910,115
B.1 Less: Current Liabilities	1,031,542,925	864,766,934
Due to Operator and its affiliates	41,245,232	24,035,040
Accounts Payable	30,065,053	16,874,180
12% Redeemable Preference Share Capital	120,000,000	135,000,000
Other Payables	840,232,640	688,857,714
B.2 Long Term Liabilities	563,095,063	1,279,046,084
Secured Term Loan	563,095,063	1,119,046,084
12% Debentures	-	160,000,000
B.3 Total Liabilities (B.1+B.2)	1,594,637,988	2,143,813,018
C Net Assets (A.3-B.3)	13,453,533,380	7,119,097,097
D. Re-stated Number of Shares	230,000,000	200,000,000
E. Net Tangible Asset Value per Shares (C/D)	58.49	35.60

### Determination of indicative fair price:

	Tk.	Weight	Tk.
Price derived from DCF valuation	148	0.40	<b>59</b>
Price based P/E multiple	77	0.20	<b>15</b>
Price based P/BV	369	0.20	<b>74</b>
Average Price from Eligible Institutional Investors	185	0.20	<b>37</b>

### Weighted average price per share

**(Tk.)**

**185**

Therefore the indicative offer price is BDT 185.

**Indicative Price Received from Eligible Institutional Investors (EII):**

Sl No.	Category	Name of the Companies	Indicative Price
1	Merchant Banks	BANCO	211
2		Bangladesh Mutual Securities Ltd.	210
3		Alliance Financial Services Ltd.	162
4		ICB Capital Management Limited	114
5		IDLC Finance Limited	148
6		AB Bank	141
7		IIDFC Capital Limited	168
8		Prime Fin. & Inv. Limited	147
9		Mercantile Securities	115
10	Banks	BRAC Bank Limited	199
11		IFIC Bank	221
12		One Bank	221
13		Eastern Bank	220
14		UCBL	215
15		Jamuna Bank	205
16	Others	Fareast Islami Life	145
17		Beximco Securities Ltd.	207
18		Latif Securities	221
19		Subvalley Securities Ltd	221
20		Global Securities Ltd	215
Total Average			185

## **Risk factors & Management's perceptions about the risks**

### **a. Interest Rate Risk**

Interest rate risk is the risk that company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

#### ***Management Perception:***

Since the Unique Hotel & Resorts Limited has not borrowed funds at flexible rate, hence, the interest rate risk does not arise. The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

### **b. Exchange Rate Risk**

Exchange rate risk occurs due to changes in exchange rates. As the Company imports equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If exchange rate is increased against local currency opportunity will be created for generating more profit.

#### ***Management Perception:***

Unique Hotel & Resorts Limited changes the price of their services in accordance with the change in exchange rate to mitigate the affect of unfavorable volatility in exchange rate on the company's earnings.

### **c. Industry Risks**

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margins, market share etc which could have an adverse impact on the business, financial condition and results of operation.

#### ***Management Perception:***

The Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions.

### **d. Market Risks**

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

#### ***Management Perception:***

The company's brand "Westin" has a very strong image in the local and international market. Westin Asia Management Co. (a fully-owned subsidiary of Starwood Hotel and Resorts Worldwide Inc.) also has the reputation of providing quality hotel management services. Moreover, the demand for five star hotels in the country is increasing while there are very few five star hotels to meet the demand. Strong brand management and quality service has enabled the company to capture significant market share in the sector. And the company is continuously penetrating the market and upgrading the quality of their service to minimize the risk.

**e. Technology Related Risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

***Management Perception:***

The Company is aware of technological changes and has adopted new technology according to its needs. Furthermore, routined and proper maintenance of the equipment carried out by the Company ensures longer service life for the existing equipment and facilities.

**f. Potential or Existing Government Regulations**

The Company operates under Company's Act 1994 and other related regulations, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991 and Value Added Tax (VAT) Rules 1991. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

***Management Perception:***

Since The Company Operates in hospitality sector, the Government regulations are mostly investment-friendly. However, unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected. As it is an emerging sector, it is highly unlikely that the Government will frustrate the growth of the industry with adverse policy measures.

**g. Changes in Global or National Policies**

The performance of the Company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, such as war, terrorism, political unrest in the country or customer countries. Changes in global or national policies may also adversely affect the economy in general.

***Management Perception:***

The risk due to changes in global or national policies is beyond control of any company. The management of the company is always concerned about the prevailing and future changes in the global and national policy and shall response appropriately and timely to safeguard its interest. The company's strong brand image and worldwide customer base will enable it to withstand any such potential threats.

**h. History of Non-Operation, if any**

There is no history of non-operation in the case of The Company.

***Management Perception:***

To overcome these uncertainties, the Company has its own power backup, scientific inventory management and continuous market promotion systems, which reduce the non-operating risk.

**i. Operational Risks**

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures

due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

***Management Perception:***

The Company is equipped with power backup and security (CCTV) systems, which reduce operational risk. Besides, the equipment is under Insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate the operational risk.