



UNITED POWER GENERATION & DISTRIBUTION COMPANY LIMITED

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PRICE SENSITIVE INFORMATION

The Board of Directors of the Company, in its 105th meeting held on February 5, 2023 at 4.00 p.m., has decided to disclose the following information to the shareholders:

United Power Generation & Distribution Company Ltd. (formerly known as Malancha Holdings Ltd.) entered into Power Supply Agreement (“the PSA”) dated 06 May 2007 and 16 May 2007 with Bangladesh Export Processing Zones Authority (“BEPZA”) for installation of commercial power plant in Dhaka EPZ and Chattogram EPZ respectively. Bangladesh Energy Regulatory Commission (BERC) issued license to United as Independent Power Producer (IPP) under the Policy Guidelines for enhancement of Private Participation in the Power Sector, 2008 (“Policy 2008”). Gas Supply Agreement (“the GSA”) was signed between Titas Gas Transmission & Distribution Company Ltd. and Karnaphuli Gas Distribution Company Ltd. and Clause 3.5 of the GSA provides that the gas price shall be set by the Government at the rate applicable for IPP.

However, the gas price applicable for United has been changed pursuant to the Ministry meeting minutes dated 02 January, 2018 to the effect that IPP rate has been changed and captive power plant rate has been imposed. Later on, the captive power plant rate has been changed and increased in such an extent that the selling price of electricity is lower than the raw material price going against the construction, generation, distribution, operation and maintenance of power industry.

Under the above circumstances, pursuant to Clause 11(IV) of the Power Supply Agreement United has given notice to BEPZA dated 25 January, 2023 declaring the change as a “Force Majeure” event and for such reason notice for closing down the operation of power plants within Dhaka EPZ and Chattogram EPZ. BEPZA has denied to accept the “Force Majeure” notice and invited United for discussion to resolve the matter vide a letter dated 26 January, 2023. In consequence to that, United is still in the process of resolving the matter through discussion with BEPZA.

Dhaka, 05-02-2023

By order of the Board
Sd/-

Mostak Ahmmed, FCA
Company Secretary