

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF UNITY FOODS LIMITED

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Unity Foods Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

Further, we highlighted below instances of non-compliance with the requirements of the regulations as reflected in the paragraph reference where it is stated in the statement of compliance:

Regulation Reference	Description
19(1)(iii)	One director namely Miss Lie Hong Hwa has not yet completed director's training program.
27(2)(i)	The meeting of audit committee was not held in the first quarter during the year.

Place: Islamabad
Date: October 04, 2023
UDIN: CR202310596LpfqW8oXR



Naveed Zafar Ashfaq Jaffery & Co.
Chartered Accountants

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **UNITY FOODS LIMITED**
Year ended: **JUNE 30, 2023**

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven as per the following:
 - a. Male: Six
 - b. Female : One
2. The Composition of the Board is as follows:

CATEGORY	NAMES
a) Independent Directors	Mr. Muneer S. Godil Dr. Safdar Ali Butt
b) Non-Executive Directors	Let. Gen. Omar Mahmood Hayat (Retd) Mr. Abdul Majeed Ghaziani
c) Executive Directors	Mr. Muhammad Farrukh Mr. Amir Shehzad
d) Female Director	Ms. Lie Hong Hwa (Non-Executive)

Note: The Board of the Company comprises of seven directors and one-third works out to be 2.33. The fractional requirement has not been rounded up, as two (2) Independent Directors elected by the shareholders in terms of Section 166 of the Companies Act, 2017 who have the requisite competence, skills, knowledge and experience, are considered adequate to discharge and execute their duties competently as per laws and regulations.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Directors of the Company have completed Directors' Training program except one Director namely Ms. Lie Hong Hwa.

10. The Board has approved appointment of CFO, Company Secretary and Acting Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below.

Name of Committee	Name of Members and Chairperson
Audit Committee	a) Mr. Muneer S. Godil - (Independent Director) - Chairman b) Dr. Safdar Ali Butt - Member c) Mr. Abdul Majeed Ghaziani - Member
Human Resources and Remuneration Committee	a) Dr. Safdar Ali Butt - (Independent Director) - Chairman b) Mr. Muhammad Farrukh - Member c) Mr. Abdul Majeed Ghaziani - Member d) Mr. Muneer S. Godil - Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committee were as following:
 - a. Audit committee Six Meetings during the year
 - b. HR and Remuneration Committee Two Meetings during the year
15. The Board has set up an effective internal audit function.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation of non-compliance with requirements of following regulations are below:



Regulation	Compliance Requirement	Explanation
19(1)(iii)	It is encouraged that by June 30, 2023, all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Due to busy schedule of the Director (Ms. Lie Hong Hwa) based in Singapore, a training could be not arranged for her, during the year.
27(2)(i)	It is mandatory that meetings of the audit committee shall be held as per the following requirements,- (i) the audit committee of a company shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the company by its Board and after completion of external audit.	Due to unexpected delay in completion of annual audit of the Company as of 30.06.2022, no meeting of Board Audit Committee could be held during the quarter of July to September 2022.
29(1)	Non-Mandatory Requirement Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted the Nomination Committee. The function of the Nomination Committee is performed by the board.
30(1)	Non-Mandatory Requirement Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	Currently, the Board has not constituted the Risk Management Committee and the function is being performed by the Board.

Abdul Majeed Ghaziani
Director
Karachi
October 03, 2023

Muhammad Farrukh
Chief Executive Officer