



Message from The Chairman

Bismillahir Rahmanir Rahim

Distinguished Shareholders:

Assalamu Alaikum,

By the grace of Almighty Allah, it is my pleasure to welcome you all here today at this 20th Annual General Meeting of Fareast Finance & Investment Limited (FFIL). I would like to express my gratitude and regards to all of you for your continued support & patronization over the years.

As you are aware that NBFIs have been facing critical challenges like increasing nonperforming loans & leases leading to negative impact on cash-flow as well as liquidity, profitability & sustainability issues for last couple of years. Situation aggravated further following countrywide spread of novel corona virus since March 2020. Like a good number of non-bank financial institutions, Fareast Finance & Investment Limited has been experiencing severe liquidity crisis followed by negative interest margin, operating losses, huge nonperforming assets resulting depletion of capital, decrease in equity, net operating cash flow, net asset value, earning per share and struggling for existence since 2017 as its net liability has been exceeding its assets. Fareast Finance & Investment Limited could not give dividend to the honorable shareholders after 2016 and fell into Z category on April 19, 2018.

Statutory Auditor Ahmed Zaker & Co, Chartered Accountants had expressed their serious apprehension about continuity of operations of the company in their report titled as 'Independent Auditor's Report to the Shareholders of Fareast Finance & Investment Limited' which was adopted in the 19th Annual General Meeting held on October 29, 2020 and given 'qualified opinion' on the same issue in their report on the Audit of Financial Statements for the year ended December 31, 2020 due to uncertainty associated with recovery of term loan of Taka 302,47,88,933.00 given to the associate company, shortfall of regulatory capital to the tune of Taka 77,55,08,213.00 compared to minimum requirement, and uncertainty of recovery of Fund/Fixed Deposits placed with Bangladesh Industrial Finance Company Limited and FAS Finance & Investment Limited.

Depositors' confidence on non-bank financial institutions dwindled significantly during last few years due to operational failure of Peoples Leasing & Financial Services Limited and spreading of the news of scams that took place in a few other institutions in print & electronic media.

Overall situation aggravated further due to depositors' unwillingness to keep their money with most of the non-bank financial institutions as a result of experiencing enormous sufferings in getting their money back on maturity from many and absolute failure on the part of a few non-bank financial institutions. Fareast Finance & Investment Limited, like other institutions, experienced huge deposit withdrawal pressure since 2018. The company has not been appropriately managed & grown and the shareholders did not get dividends over the years which is detrimental to the interest of the investors of the company and totally undesirable.

In view of the aforesaid facts and circumstances, Bangladesh Securities and Exchange Commission (BSEC) reconstituted the Board of Directors vide Letter under Reference No. SEC/SRMIC/2021/part-Z/89 dated March 29, 2021 in order to protect the interest of the shareholders of the company.

The reconstituted Board of Directors together with efficient management has been working relentlessly towards sustainability of the company despite the colossal impact of novel corona virus, unpredictable situations and unique & critical market and company specific challenges. We are following zero tolerance policy to irregularities & corruption, taking administrative & disciplinary actions against the persons involved in irregularities & corruption, improving asset quality through collecting necessary documents & updating loan/lease files, strengthening recovery drive through supervision, monitoring and filing suits. We are focused on good governance, reconstruction and sailing the ship ahead with a view to bringing the best for our stakeholders and the economy as a whole.

I would like to express my sincere thanks to the Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, National Board of Revenue and other regulatory authorities for their continued guidance, support and co-operation.

I also like to express my heartfelt appreciation to my fellow colleagues in the board of directors and members of the management team for their co-operation, support, all-out efforts and commitment for salvaging the company and protecting interest of the honorable stakeholders as well. I also extend my heartfelt thanks and gratitude to our honorable shareholders for their continued trust in the Board of Directors of Fareast Finance & Investment Limited.

With Warm regards,
Sincerely,



Md. Ashraf Moqbul
Chairman