

SEA PEARL Family would like to THANK all our frontline workers for their hard work and dedication through COVID-19. We are grateful for the courage YOU are showing towards the community.

LET'S STOP CORONAVIRUS











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Proxy Form and Attendance Slip

LETTER OF TRANSMITTAL

All Respected Shareholders of Sea Pearl Beach Resort & Spa Limited Bangladesh Securities and Exchange Commission (BSEC)

Dhaka Stock Exchange Limited (DSEL)

Chittagong Stock Exchange Limited (CSEL)

Registrar of Joint Stock Companies & Firms (RJSC)

All other stakeholders

Subject: Annual Report for the year ended 30 June 2020.

Dear Sir(s),

We are pleased to enclose herewith a copy of the Annual Report of Sea Pearl Beach Resort & Spa Limited for the year ended 30 June 2020 together with the Audited Financial Statements which comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash flows, significant accounting policies & explanatory notes. The Annual Report also includes statement of the chairperson of the Board of Directors, Managing Director and Directors' Report. The Annual report is available in the website of the Company at www.seapearlbd.com.

Thank you for your interest, support and confidence to the Company.

This is for your kind information and necessary action.

Sincerely yours,

Md. Azaharul Mamun

Company Secretary

NOTICE OF THE 11TH ANNUAL GENERAL MEETING

Notice is hereby given that the 11th Annual General Meeting of the shareholders of Sea Pearl Beach Resort & Spa Ltd. will be held using Digital Platform through link id "https://seapearl.bdvirtualagm.com" (in pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/ SRMIC/04-231/932 dated 24 March 2020) on Saturday, the 19th December, 2020 at 11:00 a.m. to transact the following business:

AGENDA

- To receive, consider and adopt the annual audited Financial Statements of the Company for the year ended 30 June, 2020 together with The Auditors' Report and The Directors' Report thereon.
- 2. To approve the dividend as recommended by the board of director for the year ended 30 June, 2020.
- To elect/re-elect Directors of the company. 3.
- 4. To appoint Auditors for the year ended 30th June, 2021 and fix up their remuneration.
- 5. To appoint the professional to certify Corporate Governance Compliance for the year 2020-2021 and fix up their remuneration.
- To transact any other business with the permission of the Chair. 6.

By order of the Board

Company Secretary

Notes:

- (1) Record Date: November 19, 2020 (Thursday).
 - Shareholders whose names appeared in the Register of Members the Company or in the Depository Register on the Record Date shall be eligible to attend the AGM of the Company and to receive the Dividend.

Dated, Dhaka: 04 December 2020.

- (2) The Board recommended cash dividend @ 1% for shareholders excluding directors & sponsors of the Company for the year ended 30 June 2020.
- (3) Link for joining in AGM through Digital Platform of the company is "https://seapearl.bdvirtualagm.com" and details login process will be notified to the respective Members.
- (4) Annual Report 2020 soft copy will be sent to the email addresses of the Members. Annual Report 2020 will also be available at Company's website: http://www.seapearlbd.com.
- (5) A Member entitled to attend and vote at the Annual General Meeting can appoint a proxy to attend and on a poll to vote on his/ her behalf. Proxy Form duly stamped must be deposited at the Company's Registered Office or through email: cs.seapearlbd@gmail.com at least 48 (forty eight) hours before the time fixed for the meeting otherwise Proxy Form will not be treated as valid. Signature of the Shareholder(s) should agree with the specimen signature.
- (6) All Members are requested to update their respective BO Accounts with 12 digits Tax payer's Identification Number (e-TIN), Bank Account Number, e-mail address, contact number (mobile phone), mailing address and other related information through their respective Depository Participants (DP). Members bearing Folio Numbers are requested to submit their email address and 12 digits e-TIN certificate to the Share Office of the Company latest by 04 December 2020, failing which Income Tax at Source will be deducted from cash dividend @ 15% instead of 10% as per amended Income Tax Ordinance 1984 (Section 54).
 - Members are also requested to notify changes of their address, if any to the Share Office within the same timeline.
- (7) As per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 and regulation 24 (2) of the Dhaka / Chittagong Stock Exchange (Listing) Regulations 2015, "no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities" for attending the ensuing AGM of the Company.

11TH ANNUAL GENERAL MEETING OF SEA PEARL BEACH RESORT & SPA LIMITED

Held on Saturday, at 11:00 a.m. 19 December 2020

VENUE: DIGITAL PLATFORM

HELPLINE:

MD, AZAHARUL MAMUN

Tel: +88-02-9140454, Ext-18, Fax: +88-02-9140616

Corporate Office: Level-14, UTC Building, 8 Panthopath, Dhaka

VIRTUAL AGM ATTENDANCE PROCEDURE

Pursuant to the Bangladesh Securities and Exchange Commission's Order No. SEC/SRMIC/04-231/932 dated 24 March 2020 and considering the health & safety of all the shareholders/members, staffs and others who plan to attend the AGM, Sea Pearl Beach Resort & Spa Ltd. convened its 11th AGM using the digital platform on Saturday, 19 December 2020 at 11.00 a.m. The digital platform is expected to make sure shareholder's/member's attendance & take part from any place around the world and increase engagement, regardless of their number of shares, resources, or physical location.

Step - 1

Please check whether you are a shareholder / member of Sea Pearl Beach Resort & Spa Ltd. as on the "Record Date" i.e. 19 November 2020.

Step - 2

Please visit https://seapearl.bdvirtualagm.com from your laptop, desktop, tablet and smartphone.

Step - 3

Please put your 16-digit BO ID number and other credential as a proof of your identity to login the system.

Step – 4

Please acknowledge regulatory directives & Company's communication made to the public for attending the AGM in digital platform



Login Procedur

This section will show the webcast of the AGM by using digital platform



Live Steaming



This section will record your questions or comments before commencement of the AGM and during the AGM, additional to send queries & comments directly to info@seapearlbd.com or in writing. Sea Pearl Beach Resort & Spa Ltd. will try to answer all questions during the live Q&A session of the AGM, but reserves the right to edit and/or reject questions if it deems irrelevant or inappropriate.



Register your Questions or Comments

This section will allow you to download Annual Report 2019-20, related notices and relevant forms in PDF format.



Download

This section will show the total attendance of present shareholders and shareholdings at their possession.



Shareholding

This section will show agenda for the meeting and options for proposing, seconding, agreeing or disagreeing with the same.



If you meet any difficulties accessing the virtual meeting through the link https://seapearl.bdvirtualagm.com please call, before or during the AGM to Tel: +88-02-9140454, Ext-18, for support.

Technical

COMPANY PROFILE

Sea Pearl Beach Resort & Spa Limited (here-in-after referred to as "the Company") was incorporated in Bangladesh on May 26, 2009 under the Companies Act 1994 as a private limited Company, vide registration number C-77653/09/2009 and subsequently Converted into public limited company on November 14, 2017 with Register of Joint Stock Companies and Firms (RJSC) in Bangladesh under the Companies Act, 1994. The Company has been listed with Dhaka Stock Exchange Limited on 18 June 2019 and Chittagong Stock Exchange Limited on 23 June 2019. The registered address of the Company is 4 K B Ismail Road, Mymensingh. The Company's Corporate Office is located at UTC Tower (Level 14), 8 Panthapath, Karwan Bazar, Dhaka, 1215. The Operation office of the Company is located at Jaliapolong, Inani, Ukhia, Cox's Bazar-4750, Bangladesh.

Sea Pearl Beach Resort & Spa Limited (the owner of "Royal Tulip Sea Pearl Beach Resort & Spa, Cox's Bazar") a Five Star Resort & hotel in Bangladesh, started its commercial operation from 17 September 2015. The principal activities the Company throughout the period were carrying out Resort & business. The business activities connected with the Resort & Hotel business are carried out through a Franchise Agreement between Sea Pearl Beach Resort & Spa Limited (Franchisee") and GT Investments BV (the



"Franchisor)", a limited liability company organized under the laws of the Netherlands, having its registered office at Arnhemseweg 2, 387 CH Amersfoot, the Netherlands dated June 01, 2014. Franchisor are knowledgeable and experienced in managing and promoting five star hotels and resorts and has (and/or its Affiliates have) performed such services throughout the world.

The Company constructed its Five Star Resort and Hotel Complex on a total land area of 10.28 acre with ten story building having total floor area of nearly 450,000 sft. The Complex has operated total 493 rooms out of which currently 241 rooms are available for guests, Balance of 252 rooms are not usable. There are 7 restaurants, 1 bar, 2 conference rooms, 1 hall room, 1 health club, 2 swimming pools, 2 tennis courts, an internationally acclaimed water park, 1 3D movie hall, 1 billiards, 1 amphitheater, a luxurious spa, vehicle parking place and all other guest facilities associated with a world class resort and hotel. The Company has also installed all necessary equipment such as Air conditioner (HVAC), Lift, Generator, Electric Substation, Sea Water Desalination Plant, Water Treatment Plan (WTP), Sewerage Treatment Plant (STP), Fire Detection & Protection System, Kitchen Equipment, Furniture, Laundry, Spa, Gymnasium, Children Park to provide seamless guest services. Furthermore, the Complex is secured by well-constructed boundary wall, internal road and pavement, staff accommodation etc. The Complex has full frontal sea view with unobstructed access to Inani sea beach.



To lead thie tourism industry with top class hotel business and developer in Bangladesh and ensure to make significant contribution to the national enhance customers' trust & wealth, reduce poverty, make significant contribution in national development, employees' value and steady growth in company's equity.



To provide Bangladeshi families with a superb vacation program in 5 star luxurious resort in Bangladesh and to provide benefits through international affiliations of Bengal Vacation Club Ltd (which is the marketing arm of Sea Pearl Beach Resort & Spa Ltd). We will ensure best quality possible with the best facilities at the best price. We are committed to be green Eco-Friendly as possible. Our members will get the best service and the best expanded to give our members more choice within Asia and Internationally.



CORPORATE MANAGEMENT

Board of Directors













| SI. No | Name | Designation | |
|--------|-------------------------|----------------------|--|
| 01 | Mrs. Lucy Akhtary Mahal | Chairperson | |
| 02 | Mr. Md. Aminul Haque | Managing Director | |
| 03 | Mr. Ekramul Hoque | Director | |
| 04 | Mrs. Sarjana Islam | Nominated Director | |
| 05 | Mr. Md. Rafiqul Islam | Independent Director | |
| 06 | Mr. Md. Golam Rabbani | Independent Director | |

Senior Management of Corporate Office



| SL. No | Name | Designation | Department |
|--------|---------------------------------------|-----------------------------|--------------------|
| 01 | Mr. Md. Aminul Haque | Managing Director | Executive Office |
| 02 | Brig. Gen. AHM Mokbul Hossain (Retd.) | Chief Executive Officer | Executive Office |
| 03 | Dr. Mahjabin Haque Masha | Corporate Director | Executive Office |
| 04 | Mr. Julas Biswas ACS | Chief Financial Officer | Accounts & Finance |
| 05 | Mr. Mahmud Russel | Director, Sales & Marketing | Sales & Marketing |
| 06 | Mr. Md. Azaharul Mamun | Company Secretary | Board Secretariat |
| 07 | Mr. Tariqul Islam | Head of Internal Audit | Internal Audit |
| 08 | Mrs. Farzana Akhter Liza | HR In -Charge | Human Resource |
| 09 | Mr. Tazibul Haque Taaz | Asst. Manager | Brand & Design |
| 10 | Mr. Md. Samiul Hoque | Asst. Manager | Commercial |
| 11 | Mr. Moshiur Rahman | In-Charge | Administration |

Audit Committee

| SI. No | Name | Designation | Position |
|--------|-----------------------|----------------------|----------|
| 01 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 02 | Mrs. Sarjana Islam | Nominated Director | Member |
| 03 | Mr. Ekramul Hoque | Director | Member |

Nomination and Remuneration Committee

| SI. No | Name | Designation | Position |
|--------|-------------------------|----------------------|----------|
| 01 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 02 | Mr. Ekramul Hoque | Director | Member |
| 03 | Mrs. Lucy Akhtary Mahal | Chairperson | Member |

Executive Committee

| SI. No | Name | Designation | Position |
|--------|---------------------------------------|-----------------------------|------------------|
| 01 | Mr. Md. Aminul Haque | Managing Director | Chairman |
| 02 | Brig. Gen. AHM Mokbul Hossain (Retd.) | Chief Executive Officer | Executive Office |
| 03 | Dr. Mahjabin Haque Masha | Corporate Director | Member |
| 04 | Mrs. Eeva-Liisa Lindner | General Manager | Member |
| 05 | Mr. Julas Biswas | Chief Financial Officer | Member |
| 06 | Mr. Md. Azaharul Mamun | Company Secretary | Member |
| 07 | Mr. Mahmud Russel | Director, Sales & Marketing | Member |

Risk Management committee

| SI. No | Name | Designation | Position |
|--------|-----------------------|----------------------|----------|
| 01 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 02 | Mr. Md. Golam Rabbani | Independent Director | Member |
| 03 | Mr. Ekramul Hoque | Director | Member |
| 04 | Mrs. Sarjana Islam | Nominated Director | Member |

Board CSR Committee

| SI. No | Name | Designation | Position |
|--------|-------------------------|----------------------|-------------|
| 01 | Mrs. Lucy Akhtary Mahal | Chairperson | Chairperson |
| 02 | Mr. Md. Rafiqul Islam | Independent Director | Member |
| 03 | Mr. Ekramul Hoque | Director | Member |

Senior Management of the Resort



| SL. No | Name | Designation | Department |
|--------|--------------------------------------|---------------------------|------------------------|
| 01 | Mrs. Eeva-Liisa Lindner | General Manager | Administration |
| 02 | Mr. Navid Ahsan Chowdhury | Assistant General Manager | Administration |
| 03 | Mr. KDJ Milroy Nanayakkara | Executive Chef | F&B Production |
| 04 | Mr. Kamrul Hasan Sagar | Financial Controller | Accounts & Finance |
| 05 | Mr. Md. Zillur Rahman | Deputy Finance Controller | Accounts & Finance |
| 06 | Mr. Abdullah Al Noman | Assistant Manager | HR |
| 07 | Mr. Md. Mehdi Hasan | IT Manager | Information Technology |
| 08 | Mr. Major A.K.M. Rafiqul Emdad (RTD) | Chief Security & PR | Security |
| 09 | Mr. Mohammad Iqbal Hossain | Chief Engineer | Engineering |
| 10 | Mr. Md. Ashik Hossain | Restaurant Manager | F&B Service |
| 11 | Mr. Mohammad Nazim Uddin | Executive Housekeeper | Housekeeping |
| 12 | Mr. Mohammad Maniruzzaman | Front Office Manager | Front Office |

Sales & Marketing Team



CORPORATE INFORMATION

| Pa | rticulars | Date |
|------|--|------------|
| Date | e of Incorporation | 26.05.2009 |
| ВОІ | Registration | 13.09.2013 |
| Date | e of commencement of Royal Tulip Cox's Bazar | 17.09.2015 |
| Lice | ense from Ministry of Civil Aviation & Tourism | 21.03.2016 |
| Con | verted to Public Limited Company | 14.11.2017 |
| Lice | ense of Membership from Cox's Bazar Chamber | 14.07.2012 |
| Sigr | ning of Management Contract with Royal Tulip | 01.07.2014 |
| List | ing with Dhaka Stock Exchange Limited | 19.06.2019 |
| List | ing with Chittagong Stock Exchange Limited | 23.05.2019 |
| Trac | le date with Dhaka Stock Exchange Limited | 16.07.2019 |
| Trac | de date with Chittagong Stock Exchange Limited | 16.07.2019 |
| Date | e of commencement of Sea Pearl Water Park | 05.01.2020 |

Statutory Auditor

Mahfel Huq & Co

Chartered Accountants BGIC Tower (4th Floor), 34, Topkhana Road, Dhaka-1000

CG Compliance Auditor

Hoda Vasi Chowdhury & Co

Chartered Accountants BTMC (7th Floor), Karwanbazar, Dhaka-1215

Bankers

Prime Bank Limited

The Premier Bank Limited

United Commercial Bank Limited

The City Bank Limited

Dutch Bangla Bank Limited

Islami Bank Bangladesh Limited

National Credit & Commerce Bank Ltd.

Eastern Bank Limited

Madhumoti Bank Ltd.

Legal Advisor

Shameem Aziz & Associates

Barristers & Advocates

Paramount Heights

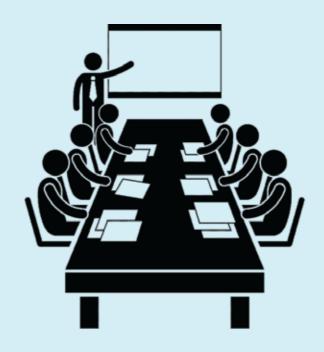
Suite 5D2 (5th floor)

65/2/1 Box Culvert Road

Purana Paltan, Dhaka-1000

Tel: 88-2-9551243

Fax: +88-02-9551394



BOARD OF DIRECTORS' PROFILE



Mrs. Lucy Akhtary Mahal, daughter of Mr. Altaf Hossain and Mrs. Sayeda Gulzar Mahal Siraji. She was born on 09 October 1967. She belongs to a renowned Muslim family in Mymensingh. She is involved in many social activities and a widely travelled person.

The Chairperson has been involved with Royal Tulip Cox's Bazar from the very beginning of it's construction and commercial operation. She obtained Bachelor degree. Mrs. Lucy Akhtary Mahal is associated with Shamim Enterprise (Pvt) Ltd as a Director and at present she is one of the key persons of the company. Shamim Enterprise (Pvt) Ltd. is a leading Construction firm in the country and enlisted with RHD, LGED, PWD & other organizations.

She is also a renowned businesswoman and entrepreneur. As a versatile Businesswoman she has other business firms include Bengal Vacation Club Ltd which is the only "Timeshare" or "Vacation ownership" Private Residence Club in the country.

Mrs. Lucy Akhtary Mahal has also associated herself with many social organizations. Her Present address is 7, Gagan Chowdhury Bai-lane Kabarkhana, Mymensingh.





Mr. Md. Aminul Haque

Managing Director

Mr. Md. Aminul Haque son of Md. Fazle Haque and Monowara Khatun. He was born on 16 June, 1962 to a sovereign Muslim family at Mymensingh.

Md. Md. Aminul Haque, assumed the position of Managing Director of Sea Pearl Beach Resort & Spa Ltd on May 26, 2009. Before joining Sea Pearl Beach Resort & Spa Ltd, Mr. Md. Aminul Haque served as the Managing Director/ Chairman/ Director/ President/ Vice President in numerous international and national institute/ company till today.

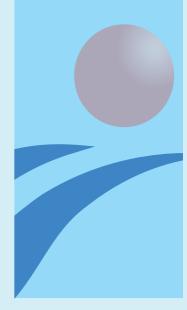
All through his professional career, Mr. Md. Aminul Haque occupied a good number of prestigious and high profile offices in different organizations. Starting his career in the year 1984 in a Construction Business Organization named Shamim Enterprise (Pvt) Ltd., Mr. Md. Aminul Hague moved into the diverse business sector in the year 2003, when he joined Bangladesh Resorts & Hotels Ltd. (Hotel Sea Crown) as Director, In 2009, he joined Sea Pearl Beach Resort & Spa Ltd as Managing Director. After that he involved multy disciplinary business organization like, Bengal Vacation Club Ltd, Air Way Aviation Ltd, Elite Auto Bricks Ltd, Bengal Hospitality Service Ltd, Shamim Enteprise Properties Ltd, Dhaka Bricks Ltd, Sornali Solar Ltd, Bangladesh Bio Diesel Corporation Ltd. Sornali International Ltd. United Transport Ltd, Nirapad Travels Ltd.

Mr. Md. Aminul Haque completed his graduation. Apart from his academic attainment, Md. Aminul Haque is associated with many social

organizations. He is member of Lions Club International, Mymensingh Club and also the Life member of Bangladesh Red Crescent Society, Bangladesh Diabetics Society and Mymensingh Rifles Club.

Mr. Md. Aminul Haque has been serving Honorary President of as the Mymensingh Chamber of Commerce & Industries science 2016. He was the Director of FBCCI from 2010 to 2017 and the Honorary Director In Charge of the FBCCI (Standing Committee on Transportation and Communication (Civil Aviation, Road & Rail) from 2010 to 2017, General Secretary of Bangladesh Sarak Poribahan Somity from 2008 till now, President of Governing Body of Nasirabad College from 2014 to till date. Govening Body of Mymensingh Mohabiddaloy, Mymensingh from 2014 to till date. President of Governing Body of Mukul Nikaton High School from 2013 to till Ex-Secretary General of Mymensingh Zila Motor Malik Somity from 1996 to 2003, Convener of Dhaka Division (South Area) Malik Sromik Okkay Porishod from 2009 to till date. Founder Vice President of Mymensingh Abahani Club.

As a versatile businessman he has traveled many countries of the world which includes USA, UK, China, Hong Kong, Singapore, Malaysia, Maldives, Thailand, Saudi Arabia, UAE, and India for opening new line of businesses. In his personal life he is married and blessed with on daughter and son. His present address is 7, Gagan Chowdhury By-lane, Kabarkhana, Mymensingh.





Mr. Ekramul Haque was born on 1976 to a well reputed Muslim family at Mymensingh. He is one of the renowned business person of the country. He has completed his graduation and got passionately involved in business. He is one of the founding directors of the country's first ever green hotel business house 'SEA PEARL BEACH RESORT & SPA LIMITED.

With a humble beginning in 1984, Mr. Ekramul Haque displayed his excellence in business entrepreneurship in building his business domain. Milestone of his success is the courage to embark into new business ventures based on sound foresight, ingenuity and skillful execution.

Dominant Shamim position Enterprise in the Country's Construction and Engineering sectors and creating unique establishments like Bangladesh Resort & Hotels Ltd. (Hotel Sea Crown), M/S Ekramul Haque and Bengal Vacation Club Ltd, Bengal Hospitality Service Ltd. Shamim Enterprise Properties Ltd, Pacific Transport Ltd are few of his landmark entrepreneurship.

At this moment, he is the Director and Proprietor of many Concerns, notably Bangladesh Resort & Hotel Ltd.(Hotel Sea Crown), Shamim Enterprise (Pvt.) Limited, M/S Ekramul Haque, Pacific Transport, Sun Brick Field, Quick Service.

He also served as Mayor from till today at Mymensingh Municipality, Mymensingh, Ex-President of Mymensingh Chamber of Commerce & Industry from 2009 to 2015. Mr. Ekramul Hoque had also associated with many social organizations like President of Governing Body of Mymensingh High School, Member of Governing Body of Nasirabad College From 2014 to till date, Mymensingh. Member of Lions Club International District 315 A1 Bangladesh.

He has traveled to USA, UK, China, Hong Kong, Singapore, Malaysia, Maldives, Thailand, Saudi Arabia, UAE for opening new line of businesses. In his personal life he is married. His present address is 8, Gagan Chowdhury By-lane, Kabarkhana, Mymensingh.





Mrs. Sarjana Islam Nominated Director

Mrs. Sarjana Islam is a Nominated Director representing Shamim Enterprise (Pvt.) Limited. She is the daughter in law of Mr. Md. Aminul Haque, Managing Director and Mrs. Lucy Akhtary Mahal Chairperson of the company. She has completed her business graduation from North South University in Bangladesh she is one of a dynamic young leader of Sea Pearl Beach Resort and Spa Ltd.

She has adequate professional expertise in real estate, constructions, shipping business and hotel business. She is also a director of MHC Trading Limited and visited many countries of the world. Mrs. Sarjana Islam has also associated herself with many social organizations in the Country.





Mr. Md. Rafiqul Islam was born on 17 February 1947 in an aristocratic Muslim family in Bangladesh. Mr. Islam is an Independent Director of the company. He has completed M.S.S from Birminghum University, U.K in 1992 and also completed B.A. (Hons) and M.A in economics from Dhaka University in 1969. He had a very distinguished career in Government Service. As a successful retired Government servant in the field of administration, he worked in several ministries in People's Republic of Bangladesh.

Earlier he has started his career as a lecturer in economics department of Chandpur College. Later performed in secretarial work, rendered management consulting service including various advisory jobs. Secretarial works, Management Consultancy including numerous advisory job. He is a worthy person of the company.





Mr. Md. Golam Rabbani was born on 1 January 1964 in an aristocratic Muslim family in Bangladesh. Mr. Rabbani is an Independent Director of the company. He has completed LL.M degree from Dhaka University in 1992. He has worked as Legal Advisor in United Group, GM Textile and Tuba Group. He has 25 years' experience in the High Court Division of the Supreme Court of Bangladesh in the field of Civil, Criminal, Writ, Customs, Company, Arbitration and Banking matter.





SENIOR MANAGEMENT **PROFILE**



ndc psc (retd.) Chief Executive Officer

Brig. Gen. A H M Mokbul Hossain, ndc psc (retd.) is a son of Late Mvi Abdul Jabbar Mondal. He was born in 17th of February, 1958. He is from Sariakandi, Bogra. On completion of his Bachelor degree from National University in 1980, he then joined in the Arms Forces. He has completed his Master of Defense Studies from Bangladesh University of Professional (BUP), Dhaka in year 2008. He has also completed MBA Degree from Royal Roads University, BC Canada. After joined into the Bangladesh ARMY and in his commendable and distinguished career service, he took several courses and underwent trainings, which include but are not limit to Weapon. During his time in Bangladesh ARMY he completed Conversion Course, Infantry Weapon Course, Senior Command Course, National Defense Course, passed staff college QM, officers advance course from Virginia, USA etc. In the vast expand of his career he played several key roles. He served as Sector Commander of Bangladesh Border Guard (former Bangladesh Riffles), Director Administration, Directorate General Forces Intelligence, of General Prison Inspector Headquarters and many others.

In his years of active service in Arm forces, he received operational, service and UN honors, medals and decorations for his distinguished service. He has attended numerous conferences, seminars and exercises' at home and abroad and chaired in the panel in number of seminars and conferences.

Mr. Hossain joined Sea Pearl Beach Resort and Spa Ltd. in March 2011 as Executive Director and since 1st August 2012 he has been serving as Chief Executive Officer of the most beautiful five star resort Bangladesh. Under his diligent guidance the resort has been constructed and commenced operation on 17 September, 2015. His visionary leadership and efficient administrative technique has played significant role to make Sea Pearl Royal Tulip the most cherished tourist destination of the country.





Dr. Mahjabin Haque Masha Corporate Director

Dr. Mahjabin Haque Masha is the Corporate Director of Sea Pearl Beach Resort & Spa Ltd. Dr. Masha had started her journey in business back in 2008 when she was a medical student. She completed her MBBS in 2010 from Community Based Medical College Bangladesh under Dhaka University along with honor's marks in different subjects. Though the meritorious Doctor completed M.B.B.S, C.C.D (BIRDEM), C-C.C.D (National Heart Foundation) and MPH (N.S.U), her dream was different. Her dream was to become a successful entrepreneur and social worker beside her medical career and actually she is one of the developing world's personification business woman who was acutely aware of the need of economically independent and creating employment opportunity for women in our male dominated society. The young entrepreneur started her business through the construction company named "SEPL Developers" and started to show her extraordinary expertise transports business in simultaneously. As successful businesswoman with longstanding experience in transports, development and tourism sector she took the initiative to make her dream came true by establishing Bengal Vacation Club Ltd. Dr. Mahjabin along with other sponsors established Bengal Vacation Club Ltd in the year 2010. She is holding the Directorship in the company since incorporation to provide leadership and governance of the Board so as to create the conditions for overall Board's and individual Director's effectiveness.

Through her successful leadership BVC has achieved remarkable success in its business & make the company as market leader. She holds a strong business management skill and has been appointed as Corporate Director of the company to lead the management and ensure sustainable team development of the organization. For her success with BVC & Royal Tulip Sea Pearl she was awarded with prestigious IPDC Pop of Color Women 2019 Business Award in the category of "Game Changer "at the Poshian Conference held in 2019. She is also the Director of SEPL Transport Ltd, Mymensingh Jute Mills Ltd. & Air Way Aviation Ltd.

The young dynamic lady is not only concerned with business but also with social activities as a philanthropist & social worker. Every year she donates fund among different charity and the deprived and helpless people of her locality. In her professional career she visited China, India, Indonesia, Malaysia, England, USA, Spain, Netherlands, France, Italy, Turkey, Greece, Germany, Thailand, Austria, Australia, Switzerland, Saudi Arabia, Egypt and many other countries.





Mrs. Eeva – Liisa Lindner is a seasoned and passionate hotelier who worked on 3 continents managing successfully hotels, resorts and hotel operations on luxury cruise ship. Her focus is always concentrated on achieving ambitious results paired with a high level of guest satisfaction. Mrs. Lindner is working since 2011 in Bangladesh and worked for Best Holdings Ltd. Lakeshore Hotel and Apartments Gulshan and Lakeshore Banani, the American Club Dhaka and Ascott Hotels Baridhara.

Mrs. Lindner has been working in Sea Pearl Beach Resort & Spa Ltd. since November, 2019. Her dedication for work and vast experience as General Manager with more than 20 years has impacted the service quality of the Resort. Through her leadership Sea Pearl has become number one tourist destination in Bangladesh providing clients with the highest degree of hospitality and customer service by ensuring that facilities, services and standards meet and exceed expectations.





Sea Pearl Beach Resort & Spa Ltd. (SPBRSL) has appointed Mr. Julas Biswas ACS as Chief Financial Officer (CFO) to plan, direct, organize synchronize the financial functions of the organization. He was born in Bagerhat district & completed his secondary education from St. Paul's High School in 2003. In 2011 he completed his MBS in Accounting with 1st Class from Azam Khan Commerce College, Khulna. In the same year he registered as an article student in the Institute of Chartered Accountants of Bangladesh (ICAB) under Kazi Zahir Khan & Co., Chartered Accountants. Mr. Biswas had the experience to act as statutory auditor in different Bank, Insurance, Non-Banking Financial Institution, Manufacturing Companies, Government & Non-Government Organizations. He gathered theoretical & practical knowledge on Accounting, Auditing, Taxation, Commercial Laws and applicable Accounting & Auditing Standards (BFRSs, BASs, and BSAs) during this period. In 2015, he registered his

name in the Institute of Chartered Secretaries of Bangladesh (ICSB) and gathered much knowledge on Capital Market, Securities & Corporate Laws Corporate Governance different study levels. Mr. Biswas has become an Associate Member of the Institute in 2018.

Before joining SPBRSL Mr. Biswas worked Nahee Aluminum Composite Panel Ltd. (NACPL) as Financial Officer Chief from September. 2014. Under his supervision the Company achieved set financial goals & in 2017 NACPL got listed with both the Stock Exchanges. He is also a member of Dhaka Taxes Bar Association. He received different professional training on Accounting, Financial Strategy, Taxation & Corporate leadership in home and abroad.





Mr. Md. Azaharul Mamun is the Company Secretary of Sea Pearl Beach Resort & Spa Ltd. He completed CA (CC) course from 12 August 2007 to 11 August 2010 (03 years) from Toha Khan Zaman & Co, Chartered Accountants. associate firm of HLB International which is a renowned international organization and business advisers. During the article ship, Mr. Mamun obtained hand-on experience of Book Keeping, Accounting, Auditing, Tax consultancy and financial management procedures. He also completed M.Com in Accounting from National University Bangladesh. He was born in B- Baria District in the year 1983. His boyhood and education was at Dhaka district. He started his career with this organization in the year 2010 as an Executive of Accounts & Finance department. In the year 2012, He promoted as Manager Accounts & Finance and continued his role till 2017 at the same position. Now, he is working as a Company Secretary of Sea Pearl Beach Resort & Spa Ltd. He like multidimensional work for learning and improved his carrier.

He has strong administrative skills, meticulous attention to detail, interpersonal skills, influencing skills, excellent organization and time management, ability to take the initiative, a flexible and practical approach to work. He is responsible for the efficient administration of a company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. He is also responsible for ensuring organization complies with standard financial and legal practice and maintains high standards of corporate governance. He also known as head of governance holding a strategic position at the heart of governance operations within the organization and acts as a point of communication between the Board of Directors and Company shareholders and in some cases an organization's executive management.





Mr. Mahmud Russel has been in the hospitality business for over 10 years. He leads the company's sales and marketing operations by designing action steps focused on maximizing revenues. establishing corporate accounts. strategizing and implementing correct leisure marketing tactics, putting steps in place for maximum optimizing of all travel technologies, and leads the team in revenue management. He is also responsible of overseeing the company's ongoing expansion efforts into emerging markets.

In his previous role with Ascott Hotels Group, he served as Director of Sales Marketing. Mr. Russel was responsible for company's increasing development and expansion efforts into high growth, emerging markets both domestically and internationally. Before joining Ascott in May 2009, Mr. Russel served as Human Resources Development executive for Maple Group, where he was instrumental and responsible for Administrative auditing for 32 plus Warid Telecom franchise operations countrywide.

Mr. Russel holds a master's degree in marketing from the University of Dhaka faculty of business, and a bachelor's degree business management from the National University Dhaka College.

Mr. Russel has elected as the 2021 local President of Junior Chamber International Dhaka Achievers. His key achievements including Ascott Managing Directors Award "Performer of the Year", Excellence in Business Leadership and Business Management Award from World Confederation of Business, USA. He is a member of the Global Business Travel Association-GBTA.

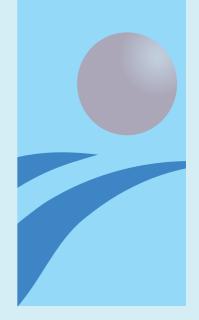




Mr. Md. Tariqul Islam
Head of Internal Audit

Mr. Md. Tariqul Islam is serving as the Head of Internal Audit of Sea Pearl Beach Resort & Spa Ltd. He is responsible for developing and implementing internal control system and ensures compliance with rules & regulations. He formerly worked in "Toha Khan Zaman & Co." as Asst. Manager, Audit from 2011 to 2014 before being appointed to his current position in May, 2014. Mr. Md. Tariqul Islam completed BBS and MBS in "Accounting" from National University before starting his professional career. also worked in Human He Development Centre Resource (HDRC), Grameen Footwear, Associates for community Population Research (ACPR) & Associates for development Services (ADSL).

He received training on "Internal Audit & Control Environment" from The Institute of chartered Accountants of Bangladesh (ICAB) in 2012 and on "Internal Audit" from the Project, Health, Population and Nutrition Sector Development Program, Arranged By World Bank & Ministry of Health held at Engineering Institute in Dhaka 2013.





Dear Respected Shareholders,

Assalamu Alaikum

On behalf of the Board of Directors of Sea Pearl Beach Resort & Spa Limited and on my behalf I welcome you all to the 11th Annual General Meeting of Sea Pearl Beach Resort & Spa Limited. The Company aims at delivering results that will ensure sustainable & continuous growth for the business and at the same time will deliver long term value to the shareholders and other stakeholders. Sea Pearl Beach Resort & Spa Limited looks towards continuous and sustainable improvement of standards of corporate governance by incorporating global & local best practices.

Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2019-2020. The Company has been able to keep up strong position in all key areas except earnings comprising good property, sound management, with branding and market leadership. It has been the number one resort in hospitality management and tourism sector with the highest level of reputation in the country. This result was achieved due to the hard work of our people, guidance of the Board of Directors, dedication of various Committee members and leadership of our Managing Director who led the business to deliver such results. Your support in this respect has been the source of inspiration for the team.

Sea Pearl Beach Resort & Spa Limited has been recognized by different national and international credible organizations and professional bodies for its accountability, transparency, good governance and fair disclosure to the stakeholders.

Sea Pearl Beach Resort & Spa Limited has commenced Water Park adjacent to the Resort on 5th January, 2020. We always try to provide the best quality services through innovative ideas. The management of Sea Pearl Beach Resort & Spa Limited is extending its portfolio by establishing other resorts indifferent areas of the country. The Company has applied to the authority concerned for the approval of drawing, design, structural construction and environmental clearance of the new resort.

I would like to take the opportunity to express my sincere gratitude and heartfelt thanks for your trust, faith, confidence, continued support and co-operation throughout the year. I am also grateful to our valued customers, honorable shareholders, clients, well-wishers and the regulators, especially Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms and Central Depository of Bangladesh Limited and other regulatory authorities and institutions for their prudent guidance and support. Once again I welcome you to the 11th Annual General Meeting of Sea Pearl Beach Resort & Spa Limited and offer my heartiest felicitation to all of you.

Mrs. Lucy Akhtary Mahal

mahal

Chairperson



Dear Respected Shareholders,

Assalamu Alaikum

It is my pleasure to report another year of operation of Sea Pearl Beach Resort & Spa Limited to you despite unprecedented impact due to the pandemic caused by COVID-19 and competitive scenarios in 2019-2020. Despite main road block due to road construction and lockdown imposed by the Government for about 3 months for Corona Virus, Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2019-2020. The Company has been able to keep up strong position in all key areas except earnings comprising good property, management, with branding and market leadership. It has also been the number one institution in hospitality management and tourism sector with the highest level of reputation in the country. The Company earned the operating profit of Tk. 195,299,600 by the efficient operation and dynamic management despite main road block due to road construction and lockdown of operation from the month March to May, 2020.

I would like to express my sincere gratitude to each and every official and employee of the Royal Tulip Sea Pearl Beach Resort & Spa who has shown their royalty and patience during this hardship we have come through. We are optimistic about the Company's future and our ability to continue to deliver superior returns to our shareholders in the coming years.

Financial performance

Sea Pearl Beach Resort & Spa Limited has showed comparative financial performance in the financial year ended on 30 June 2020, which is summarized below:

| Particulars | 2019-2020 | 2018-2019 |
|--------------------------|--------------|---------------|
| Operating Revenue | 458,507,744 | 512,794,073 |
| Cost of Sales | (92,832,423) | (102,988,275) |
| Gross Profit | 365,675,321 | 409,805,798 |
| Profit before tax | (8,736,004) | 53,593,482 |
| Net Profit after tax | (11,045,356) | 44,423,353 |
| Earnings per share (EPS) | (0.09) | 0.41 |

Dear valued shareholders

I am delighted to let you know that the Board of Directors of the Company has recommended 1%

dividend shareholders other than cash to Directors/Sponsors for the year 2019-2020. Though the company made net loss after tax during the year ended 30th June, 2020 the Board has decided to give such dividend considering all scenario. As the economy is rebounding from the pandemic effect we are hoping that our earnings and dividend vis-à-vis in the coming years will be flourished. Moreover, the Cox'sbazar hospitality industry and tourism sector has become very competitive with low cost hotels & resorts. We are very vigilant about the future state of competition and have prepared ourselves to face the new challenges.

Future Planning:

With the development of Travel and Leisure sector, tourism of Bangladesh is flourishing. Travel and Leisure sector contributes significantly to the national revenue. This sector has remarkable growth and huge potential to contribute to the overall trade balance of the country. Sea Pearl Beach Resort & Spa Limited has increased its room capacity which will generate more revenue by capturing the growing market in this sector.

The Government of Bangladesh has taken mega project for the development of the Cox'sbazar area such as construction of meter gage railway line, international airport, stadium, exclusive zone for foreigners, etc. to attack the local & foreign tourists.

Sea Pearl Beach Resort & Spa Limited has opened the Water Park which is adjacent to the Resort and earned net revenue of tk. 28,360,587 since its commencement on 5th of January, 2020. Our intention is to provide the best quality service through innovative ideas. The management of Sea Pearl Beach Resort & Spa Limited is diversifying its portfolio by establishing other resorts in different locations. The Company has applied to the authority for the approval for drawing, design, structural construction and environmental clearance for the new resort.

Sea Pearl Beach Resort & Spa Limited is working with tremendous dedication and innovation to lead the Company to a new spectrum which will serve as an example not only for the Bangladeshi but also for 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.

thank to the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies & Firms (RJSC), Central Depository Bangladesh Ltd. (CDBL) Bangladesh Bangladesh Investment Development Authority (BIDA), Investment Corporation of Bangladesh (ICB) and other regulatory authorities and institutions for their guidance, valuable suggestion and continuous support.

Mr. Md. Aminul Haque

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Managing Director

DIRECTORS' REPORT

Bismillahir Rahmanir Rahim Dear Respected Shareholders, Assalamualaikum,

The Board of Directors of Sea Pearl Beach Resort & Spa Limited is pleased to present the Annual Report 2019-2020 and the annual audited financial statements of the Company for the year ended 30 June 2020 together with the Statutory Auditors' report and Corporate Governance Compliance Report thereon. The Directors' Report has prepared in compliance with:

- Section 184 of the Companies Act 1994;
- b. Bangladesh Securities and Exchange Commission's Corporate Governance Code 2018;
- c. The Listing Regulations of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited, and;
- d. Other applicable rules and Regulations.

The Directors are also 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 and future planning under review.

About the Industry

Bangladesh is a country of natural beauty, Hill Mountains, longest beach, favorable climate, seven seasons which are the key factors to develop eco-tourism, sustainable tourism and rural tourism. Bangladesh has many archeological and historical sites too. And the hospitality of people and local culture, life style is a unique selling point. Tourism is a growing industry in Bangladesh. During the year 2017 total 1,026,000 international tourists arrived in Bangladesh while 125,000 in 2014. Earnings and international tourist arrivals are expected to grow by 4.4% in the coming years.

Luxury hospitality is a fast-growing market, especially with the growth of tourism and travel industry. The worldwide travel & tourism industry continued to see strong growth throughout 2015 and international tourist arrivals are predicted to grow by 3-4% per year, to reach 1.8 billion in 2030, according to the UNWTO report.

Hotel industry can play a significant role in the growth of the tourism industry as Bangladesh is strategically located in an ideal place in Asia and a tourist destination on the map of the world. It can be mentioned here that Bangladesh got independence in 1971. The direct contribution of Travel & Tourism to GDP was BDT 840.2 bn (USD 9.89 bn), 4% of total GDP in 2019-2020 and is forecasted to rise by 7.1% in 2021.

Sea Pearl Beach Resort & Spa Limited's resort "Royal Tulip Sea Pearl Beach Resort & Spa" is located at Inani beach, Cox's Bazar with lush green hills rise from the east and endless sea stretching on the west, the resort offers panoramic visuals of the Bay of Bengal. The resort offers luxuriously appointed rooms & suites with comfort of kitchenette, mysticism of infinity pool & luxury of Jacuzzi. Apart from its two swimming pools (one exclusively for the ladies) the resort boasts of a plethora of indoor & outdoor activities for both adults and kids which include an internationally acclaimed water park, tennis & badminton courts, 3D movie hall, billiards, amphitheater, a luxurious spa and a well-appointed gym.

Sea Pearl Beach Resort & Spa Limited also offers a stunning range of Banqueting & Conferencing options for all your needs. Our selection of restaurants and bars will leave you spoilt for choice with 7 specialty restaurants, a multi-cuisine all day dining with indoor & alfresco seating, 1 well-stocked bar & lounge, an ice cream parlor and a juice bar.

The resort is located 25 minutes' drive distance from the hustle and lastly of the Cox's Bazar city. The resort ideally located on a private beach and bounded its hill on its east and sea on its west and no intervening feature in between. The Resort has easy excess to Himchori Waterfalls, Daria Nagar, Burmese Market and Buddhist Temple at Ramu.

Despite unprecedented impact due to the pandemic caused by COVID-19 and main road block due to road construction, Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2019-2020. The Company has been able to keep up strong position in all key areas except earnings comprising good property, sound management, with branding and market leadership. It has also been the number one institution in hospitality management and tourism sector with the highest level of reputation in the country. The Company earned the operating profit of Tk. 195,299,600 by the efficient operation and dynamic management despite main road block due to road construction and lockdown of operation from the month March to May, 2020. I would like to express my sincere gratitude to each and every official and employee of the Royal Tulip Sea Pearl Beach Resort & Spa who has shown their royalty and patience during this hardship we have come through. We are optimistic about the Company's future and our ability to continue to deliver superior returns to our shareholders in the coming years.

In the Cox's bazar area hospitality industry has become very competitive like many other industries, couple of new famous brand hotels with huge number of keys have recently been added. We are very vigilant about the future state of competition and have prepared ourselves to face the new competitors and challenges.

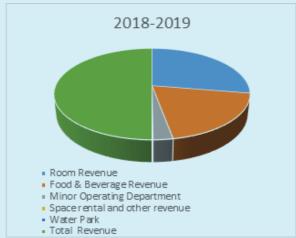
Despite all of these hazards and future state of competition, we are optimistic about the Company's future and about our ability to continue to deliver superior returns to our shareholders in the coming year. Now we have already established the Brand "Royal Tulip Cox's bazar" as the Resort of "First choice' for the foreign and local guests.

Segment-Wise or Product-Wise Performance:

| | 2019-20 |)20 | 2018-2019 | |
|--------------------------------|---------------|--------------------|---------------|--------------------|
| Name of the Segment | Amount in Tk. | % of total revenue | Amount in Tk. | % of total revenue |
| Room Revenue | 225,402,199 | 49% | 283,611,245 | 55.31% |
| Food & Beverage Revenue | 169,496,469 | 37% | 199,711,043 | 38.95% |
| Minor Operating Department | 12,561,022 | 3% | 28,066,801 | 5.47% |
| Space rental and other revenue | 22,687,467 | 5% | 1,404,984 | .27% |
| Water Park | 28,360,587 | 6% | - | - |
| Total Revenue | 458,507,744 | 100% | 512,794,073 | 100% |

Graphical Presentation of Product-Wise Revenue:





a) Interest Rate Risk

Interest rate risk is that which the company faces due to unfavorable movements of 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 Sea Pearl Beach Resort & Spa Limited has not borrowed funds at flexible interest rate, hence, not involved in the interest rate risk. The company has been repaying borrowed funds on a continuous basis.

b) Exchange Rate Risk

Exchange rate risk arises 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. When exchange rate is increased against local currency opportunity is created for generating more profit.

Management Perception:

Sea Pearl Beach Resort & Spa Limited management changes the price of their services to cope with the change in exchange rate to mitigate the effect 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 "Royal Tulip Cox's bazar" has a very strong image in the local and international market. GT Investments BV also have 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 into the market and upgrading the quality of their service to minimize the risk.

e) 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.

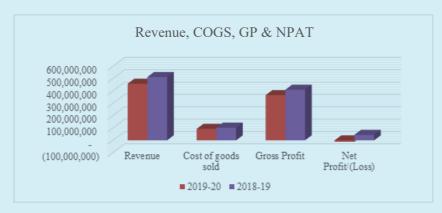
Management Perception:

Though the economic activities of the country has adversely impacted due to Corona Virus pandemic the operation of the Company started in full swing. We have taken all precautionary measures to continue our operation for the future time. 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.

Revenue, Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

| Particulars | 2019-20 | 2018-19 |
|--------------------|--------------|---------------|
| Revenue | 458,507,744 | 512,794,073 |
| Cost of Goods Sold | (92,832,423) | (102,988,275) |
| Gross Profit | 365,675,321 | 409,805,798 |
| Net Profit/(Loss) | (11,045,356) | 44,423,353 |

Graphical Presentation of Revenue, Cost of Goods sold, Gross Profit Margin and Net Profit Margin



During the year operating revenue, gross profit increased but net profit decreased due to pandemic caused by COVID-19 and Marine Drive Road block due to road construction undertaken by the LGED along with increase of finance cost.

Continuity of Extra-ordinary Gain or loss:

Sea Pearl Beach Resort & Spa Ltd. has made Net Loss after Tax of Tk. (11,045,356) during the year ended on 30th June, 2020 due to the unprecedented impact of the pandemic caused by COVID-19 and Marine Drive Road block due to road construction undertaken by the LGED. There is no continuity of Extra-Ordinary gain or loss arising from Investment activities in the financial year from 01 July 2019 to 30 June 2020 (12 months). The economy of the country has reopened, therefore the business of the company is back in full swing and the company has rebounded from its financial loss.

Related Party Transaction:

During the period the Company carried out a number of transactions with related parties on an arm's length basis. Name of those related parties, nature of those transactions and their total value has been shown in below table in accordance with the provisions of IAS-24- "Related Party Disclosure" .:

| Name of the Party | Relationship | Nature of Transaction | Baland | Balance as on 30 June 2020 | | |
|--|-------------------------|--------------------------|---------------------------|---------------------------------------|--------------------|--|
| | | | Opening Balance Cr. | Transaction during the year (Dr.)/Cr. | Closing Balance | |
| Shamim Enterprise | Common | Inter | | | | |
| (Pvt.) Limited | Management | Company transaction | - | 50,000,000 | 50,000,000 | |
| Bengal Vacation | Common | Inter | - | - | - | |
| Club Limited | Management | Company | | | | |
| | | transaction | | | | |
| Mrs. Lucy Akthary Mahal | Chairperson | Board Fee | - | 42,000 | - | |
| Mr. Md. Aminul Haque | Managing Director | Board Fee | - | 49,000 | - | |
| Mr. Ekramul Hoque | Director | Board Fee | - | 35,000 | - | |
| Mrs. Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd. | Nominated Director | Board Fee | - | 35,000 | - | |
| Mr. Md. Rafiqul Islam | Independent Director | Board Fee | - | 35,000 | - | |
| Mr. Md. Golam Rabbani | Independent Director | Board Fee | - | 35,000 | - | |
| Total | Total | | | 50,231,000 | 50,000,000 | |

Utilization of Proceeds from Public Issue:

Sea Pearl Beach Resort & Spa Ltd. has raised paid-up capital amounting Tk.150,000,000 through Initial Public offering vied Bangladesh Securities & Exchange Commission consent ref. no. BSEC/CI/IPO-0281/2018/231 dated March 25, 2019 for the acquisition of land, interior, finishing, furniture, fixture of 157 rooms & IPO expenses. The status of utilization of IPO proceeds of the Company as on 30th June 2020 has been presented in the below:

| Particulars | Amount in BDT | | | |
|--|--------------------|-------------------|-------------|--|
| raiticulais | IPO Proceed | Utilized | Un-utilized | |
| Acquisition of land | 26,660,000 | 26,660,000 | - | |
| Interior, finishing, furniture, fixture of 157 rooms | 106,827,300 | 26,507,000 | 80,320,300 | |
| IPO expenses | 16,512,700 | 16,512,700 | - | |
| Total | <u>150,000,000</u> | <u>69,679,700</u> | 80,320,300 | |

Significant Variations in Financial Results after The Company Went for Initial Public Offering (IPO):

Sea Pearl Beach Resort & Spa Ltd. has made Net Loss after Tax of Tk. (11,045,356) during the year ended on 30th June, 2020 due to the unprecedented impact of the pandemic caused by COVID-19 and Marine Drive Road block due to road construction undertaken by the LGED. The economy of the country has reopened, therefore the business of the company is back in full swing and the company has been rebounding from its financial loss. The Company prepared and submitted quarterly financial performances as per applicable rules and regulations and there were no significant differences between quarterly financial performances and annual audited financial statements.

A Statement of Remuneration Paid to the Directors Including Independent Directors:

Remuneration of Managing Director, Directors and Independent Director from 01 July 2019 to 30 June 2020 as follows:

| SL. No. | Name | Designation | Nature of Transaction |
|------------|---|----------------------|--------------------------|
| 01. | Mrs. Lucy Akhtary Mahal | Chairperson | - |
| 02. | Mr. Md. Aminul Haque | Managing Director | - |
| 03. | Mr. Ekramul Hoque | Director | - |
| 04. | Mrs. Sarjana Islam (Nominated by Shamim Enterprise (Pvt.) Ltd.) | Nominated Director | - |
| 05. | Mr. Md. Rafiqul Islam | Independent Director | - |
| 06. | Mr. Md. Golam Rabbani | Independent Director | - |

Fairness of Financial Statements:

The financial statements together with the notes thereon of the Company present true and fair view of the Company's state of affairs result of its operation, cash flows and changes in equity.

Books of Accounts:

The company has maintained proper books of accounts as required by the prevailing law.

Accounting Policies:

Appropriate accounting policies have been consistently followed in formulating the financial statements and accounting estimates are reasonable and prudent.

Application of IAS & IFRS:

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

Other Regulatory Compliances

The Company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:

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 Act 1991,

The Value Added Tax Rules 1991,

The Customs Act 1969.

Internal Control System:

The Board of Directors ensures that the Company has an effective internal control system which ensures that the assets of the Company are safeguarded and appropriate systems are in place to minimize and detect fraud, errors and other irregularities. The Company has adopted Standard Operating Procedures (SOP) for the betterment of internal control system. To generate accurate data and information within reasonable time frame, we have already commissioned most modern software. The Company has established a separate internal audit department to ensure internal control and compliance in place. On the other hand, Audit Committee regularly monitors and review the reports generated by the internal audit department and takes corrective measures.

Going concern

As per IAS-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 period/year. The Company made net loss during the year because of the unprecedented impact of COVID-19 as almost 4 months (from March to June) it's operation was closed in accordance with government instruction to prevent the virus. The company has adequate resources to continue in operation for the foreseeable future as it resumes its operation with huge market demand since the lockdown has come to an end and shall have enough operating cash inflow to pay off its current liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

Significant variance over the last year's Operating Result:

During the last financial year the Company has witnessed significant deviations due to the pandemic caused by COVID-19 all around the world. In addition to that Marine Drive Road was blocked for several months due to road construction undertaken by the LGED. Significant deviation in the following area comparing to the last year result has been detailed below:

| Particulars | 2019-20 | 2018-19 | Variance | Variance | |
|---|---------------|---------------|--------------|----------|--|
| | | | (In Tk.) | (In %) | |
| Operating Revenue | 458,507,744 | 512,794,073 | (54,286,329) | -11% | |
| Gross Profit | 365,675,321 | 409,805,798 | (44,130,477) | -11% | |
| Profit from Operation | 195,299,600 | 234,119,000 | (38,819,400) | -17% | |
| Profit/(Loss) After Tax | (11,045,356) | 44,423,353 | (55,468,709) | -125% | |
| Current Assets | 346,307,346 | 427,680,181 | (81,372,835) | -19% | |
| Non-Current Assets | 5,259,715,916 | 4,785,825,908 | 473,890,008 | 10% | |
| Total Assets | 5,606,023,262 | 5,213,506,089 | 392,517,173 | 8% | |
| Current Liabilities | 828,280,333 | 551,937,447 | 276,342,886 | 50% | |
| Non-current Liabilities | 3,563,220,537 | 3,436,000,894 | 127,219,643 | 4% | |
| Shareholders' Equity | 1,214,522,392 | 1,225,567,748 | (11,045,356) | -1% | |
| Earnings Per Share (EPS) | (0.09) | 0.41 | (0.51) | -122% | |
| Net Operating Cash Flows Per Share (NOCFPS) | 2.39 | 2.66 | (0.27) | -10% | |
| NAV Per Share | 10.06 | 10.66 | (0.60) | -6% | |

Operational and Financial Performance

The Directors take pleasure in reporting the Operational and Financial Results of the Company for the financial year ended 30 June 2020 as follows:

Operational Performance

As per the nature of the industry, production quantity of service with the course of the period produce on the basis of service design as per market demand. Therefore, installed capacity in terms of multiple and frequently changeable service mix is not constant factor. During the period under review about 4 months from March to June 2020 commercial operation of the Company was closed and the actual service along with the installed capacity in terms of the counts produced and the utilization rate in appended below:

| Particulars | Available rooms | Operational rooms | % of capacity Operation |
|-----------------------------------|-----------------|-------------------|-------------------------|
| From 01 July 2019 to 30 June 2020 | 66,275 | 35,448 | 53.49% |
| From 01 July 2018 to 30 June 2019 | 87,965 | 53,912 | 61.29% |

Financial Performance

| Particulars | 2019-2020 | 2018-2019 | |
|--------------------------|--------------|---------------|--|
| Operating Revenue | 458,507,744 | 512,794,073 | |
| Cost of Sales | (92,832,423) | (102,988,275) | |
| Gross Profit | 365,675,321 | 409,805,798 | |
| Profit/(Loss) Before Tax | (8,736,004) | 53,593,482 | |
| Profit/(Loss) After Tax | (11,045,356) | 44,423,353 | |
| Earnings per share (EPS) | (0.09) | 0.41 | |

Key financial position at a glance for the last 05 (five) years:

| Doutievlane | Amount in Taka | | | | | |
|-----------------------------------|----------------|---------------|---------------|---------------|---------------|--|
| Particulars | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | |
| Non-Current Assets | 5,259,715,916 | 4,785,825,908 | 4,331,010,753 | 4,043,249,321 | 3,746,684,951 | |
| Current Assets | 346,307,346 | 427,680,181 | 456,269,527 | 85,927,027 | 157,353,470 | |
| Total Assets | 5,606,023,262 | 5,213,506,089 | 4,787,280,280 | 4,129,176,348 | 3,904,038,421 | |
| Authorized Capital | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 | 250,000,000 | 250,000,000 | |
| Shareholder's equity | 1,214,522,392 | 1,225,567,748 | 1,047,657,095 | 86,565,145 | 33,795,824 | |
| Non-current liabilities | 3,563,220,537 | 3,436,000,894 | 3,523,101,485 | 3,690,713,031 | 2,974,828,495 | |
| Current Liabilities | 828,280,333 | 551,937,447 | 216,521,699 | 351,898,172 | 895,414,102 | |
| Total Equity & Liabilities | 5,606,023,262 | 5,213,506,089 | 4,787,280,280 | 4,129,176,348 | 3,904,038,421 | |
| Net Asset Value Per Share (NAVPS) | 10.06 | 10.66 | 10.48 | 10.18 | 54.07 | |

Key financial performance for the last 05 (five) years:

| Particulars | Amount in Taka | | | | | | |
|------------------------------|----------------|---------------|---------------|---------------|---------------|--|--|
| Faiticulais | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | | |
| Operating Revenue | 458,507,744 | 512,794,073 | 468,895,376 | 331,565,052 | 74,597,418 | | |
| Cost of Sales | (92,832,423) | (102,988,275) | (102,054,551) | (67,712,481) | (26,352,768) | | |
| Gross Profit | 365,675,321 | 409,805,798 | 366,840,825 | 263,852,571 | 48,244,650 | | |
| Operating Expenses | (170,375,721) | (175,726,418) | (180,979,598) | (120,819,558) | (54,305,979) | | |
| Profit from Operation | 195,299,600 | 234,119,000 | 185,861,227 | 143,033,013 | (6,061,329) | | |
| Other Income/(Loss) | (6,967,498) | 933,915 | - | - | - | | |
| Finance Cost | (197,068,106) | (178,779,759) | (97,940,475) | (96,464,826) | (38,098,942) | | |
| Contribution to WPPF | - | (2,679,674) | (4,186,702) | - | - | | |
| Profit /(Loss) Before Tax | (8,736,004) | 53,593,482 | 83,734,050 | 46,568,187 | (44,160,271) | | |
| Income tax (expanse)/Benefit | (2,309,352) | (9,170,129) | (37,642,100) | (16,298,866) | 15,456,095 | | |
| Profit/(Loss) After Tax | (11,045,356) | 44,423,353 | 46,091,950 | 30,269,321 | (28,704,176) | | |

Share capital:

Authorized share capital of the Company stood at BDT 2,000.00 million and paid up capital stood at BDT1, 207.50 million respectively and the number of shares are 120.75 million at the end of financial year ended June 30, 2020.

Dividend:

On the basis of the performance of the Company and the current capital market scenario, the Board has recommended @ 1% for shareholders excluding sponsors and directors of the Company for the year ended 30 June 2020, subject to the approval of the shareholder in the 11th Annual General Meeting of the Company scheduled to be held on 19 December 2020. According to the recommendation proposed cash dividend is Tk.6.4 million. However no bonus share or stock dividend has been or shall be declared as interim dividend by the Company. We are committed to keeping continuity and consistency in the payment of dividend vis-à-vis the market scenario in the coming years.

Board and Committee Meetings & Attendance:

During the year ended 30 June, 2020 total seven Board of Directors' Meetings were held. The attendance status of all the meetings is as follows:

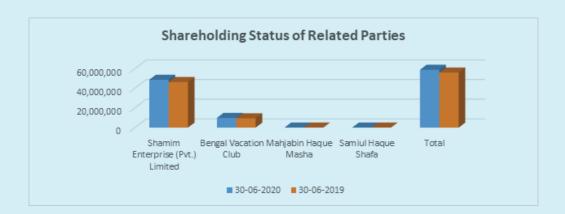
| SI. No. | Name | Designation | Attendance |
|---------|---|----------------------|------------|
| 01. | Mrs. Lucy Akhtary Mahal | Chairperson | 6 |
| 02. | Mr. Md. Aminul Haque | Managing Director | 7 |
| 03. | Mr. Ekramul Hoque | Director | 5 |
| 04. | Mrs. Sarjana Islam (Nominated by Shamim Enterprise (Pvt.) Ltd.) | Nominated Director | 5 |
| 05. | Mr. Md. Rafiqul Islam | Independent Director | 5 |
| 06. | Mr. Md. Golam Rabbani | Independent Director | 5 |

Pattern of Share Holding of Directors & Others:

The patterns of share holdings of the directors & others as on 30 June, 2020 are shown in the following:

(a) Parent/Subsidiaries and other related parties:

| SI. | Name of Shareholders | As on June | 30 2020 | As on June 30 2019 | | |
|-----|----------------------------------|----------------------------|---------|--------------------|--------------|--|
| No. | | No. of Shares % of holding | | No. of Shares | % of holding | |
| | | held | | held | | |
| 01. | Shamim Enterprise (Pvt.) Limited | 48,780,900 | 40.40% | 46,458,000 | 40.40% | |
| 02. | Bengal Vacation Club | 9,940,296 | 8.23% | 9,466,949 | 8.23% | |
| 03. | Dr. Mahjabin Haque Masha | 105,000 | 0.09% | 100,000 | 0.09% | |
| 04. | Mr. Samiul Haque Shafa | 105,000 | 0.09% | 100,000 | 0.09% | |
| | Total | 58,931,196 | 48.81% | 56,124,494 | 48.81% | |



(b) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Internal Audit and their spouse and minor children:

| SI. No. | Name of Shareholders | Designation | As on June 30 2020 | | As on Jun | e 30 2019 |
|------------|-------------------------------|--|-----------------------|-----------------|-----------------------|-----------------|
| | | | No. of Shares held | % of holding | No. of Shares held | % of holding |
| 01. | Mrs. Lucy Akhtary Mahal | Chairperson (Sponsor Director) | 2,467,500 | 2.04% | 2,350,000 | 2.04% |
| 02. | Mr. Md. Aminul Haque | Managing Director (Sponsor Director) | 2,782,500 | 2.30% | 2,650,000 | 2.30% |
| 03. | Mr. Ekramul Hoque | Director | 2,520,000 | 2.09% | 2,400,000 | 2.09% |
| 04. | Mrs. Sarjana Islam | Nominated by Shamim Enterprise (Pvt.) Ltd. | - | - | - | - |
| 04. | Shamim Enterprise (Pvt.) Ltd. | Sponsor Director | 48,780,900 | 40.40% | 46,458,000 | 40.40% |
| 05. | Mr. Md. Rafiqul Islam | Independent Director | - | - | - | - |
| 06. | Mr. Md. Golam Rabbani | Independent Director | - | - | - | - |
| 07. | Mr. AHM Mokbul Hossain | Chief Executive Officer | 100,000 | 0.08% | 100,000 | 0.09% |
| 08. | Mr. Md. Azaharul Mamun | Company Secretary | 200,000 | 0.18% | 200,000 | 0.20% |
| | Total | | 56,850,900 | 47.09% | 54,5,08,000 | 47.12% |

(c) Shares held by Executive Officer (Top Five Salaried Employees other than Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children):

NIL

(d) Shareholding ten percent (10%) or more voting interest in the Company:

| SL No | Name of related parties | As on 30 June 2020 | | As on 30 | June 2019 |
|----------|----------------------------------|-----------------------|--------------|-----------------------|--------------|
| | | No. of Shares Held | % of holding | No. of Shares Held | % of holding |
| 01. | Shamim Enterprise (Pvt.) Ltd. | 48,780,900 | 40.40% | 46,458,000 | 40.40% |
| · | Total | 48,780,900 | 40.40% | 46,458,000 | 40.40% |

Contribution to CSR:

During the year the Company donated to some Government approved charities, among the distress workers & staffs of the company.

Directors' Retirement & Re-appointment:

With regard to the retirement and re-appointment of Directors, the Company is governed by its Articles of Association & the Companies Act, 1994 and other related Rules & Legislations issued time to time by various Regulators. Accordingly, the following two Directors of the Board will retire from their office of the Company in the ensuing 11th Annual General Meeting:

- 1. Md. Aminul Haque
- 2. Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.

Being they are eligible for re-election as per the Articles of the Association of the Company, they applied for re-election. Brief resume of the retiring Directors is shown in page no 15 & 17 of the annual report.

Management Discussion and Analysis:

As per condition No. 1.5 (xxv) of Corporate Governance Code as imposed by Bangladesh Securities and Exchange Commission (BSEC) by the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018; a management discussion and analysis of the company's position an operation along with a brief discussion of change in the financial statements, among others has been disclosed in page no 47 of the annual report.

Declaration by CEO and CFO:

Declaration by CEO and CFO to the Board as required under condition No. 3(3) of Corporate Governance Code has been disclosed in Annexure-I, page no 67 of the annual report.

Reporting and Compliance of Corporate Governance:

The report as well as certificate regarding compliance of conditions of Corporate Governance Code as required under condition no. 9 of the Code has been disclosed herewith in page no 68 of the annual report. The report does not contain any qualification, reservation or adverse remark.

Composition of Board:

The Board of Directors consists of 06 (six) members including Managing Director and 02 (two) 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.

Independent Director:

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission with regard to composition of the Board. Mr. Md. Rafiqul Islam and Mr. Md. Golam Rabbani 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 Company's Board believes their experience and knowledge enable them to provide both effective and constructive contribution to the Board.

Chairman and Managing Director:

The Chairman 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 of Directors' Committees:

The Board of Directors has established various Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee, Nomination and Remuneration Committee, Management Committee, Risk management Committee and CSR Committee. 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.

a) Audit Committee:

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 to ensure that the financial statements reflect true and fair view of the state of affairs of the company and also ensure a congenial working method exist in the organization as per guidelines of the Regulators. In the year 2019-2020 the committee has conducted 05 (five) meetings.

b) Nomination and Remuneration Committee (NRC)

In compliance with the section 6 (2) (a)(b) of the Corporate Governance Code of the Commission, the Board of Directors constituted the Nomination and Remuneration Committee. The Committee is comprised of 03 (Three) member\s 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 Nomination and Remuneration Committee. The Committee has been constituted by the Board of Directors to assists 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 2019-2020 the committee conducted 01 (one) meeting fulfilling the conditions no. 6 (2) (h).

c) Executive Committee:

The Executive Committee is entrusted with the day-to-day management of the Company. The Executive Committee is chaired by the Managing Director and comprises with key senior executives. The Executive Committee, as the Company's management body, is committed to serving the interests of the Company and achieving sustainable growth of the Company. The members of the Executive Committee are collectively accountable for the entire management of the Company and decide on the basic issues of business policy and corporate 9strategy. The Committee meets in every week to review the business performance of the Company and take decisions as deemed appropriate.

d) Risk Management Committee:

The Risk Management Committee (RMC) is headed by the Independent Director. The risk controllers periodically review the departmental risks and report to RMC. The RMC reviews the functional risks two times a year, identifies the Company's key risks and ensures that adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Audit Committee and then ratified by the Board as far as effective risk management is concerned. In order to ensure effective risk management within the Company, the RMC is responsible for reviewing risks, maintaining an appropriate level of awareness throughout the Company and ensuring effectiveness of the risk management process. The Company maintains a risk register where all the associated risks as well as action plans are recorded.

e) Board CSR Committee:

The Board Corporate Social Responsibility (CSR) Committee is comprised of three 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 twice in the financial year 2018-2019. The initiatives are all aligned with the SDG's and we are contributing to fulfill 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) and International Accounting Standards (IASs). 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. The financial statements have been audited by M/S. Mahfel Huq & Co., Chartered Accountants.

Chief Financial Officer, Company Secretary and Head of Internal Audit are 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 Chief Financial Officer 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. One times this year, Sea Pearl Beach Resort & Spa 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.

Corporate Social Responsibility (CSR)

Corporate social responsibility (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. Corporate social responsibility 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 2019 to 30 June 2020 the Company contributed the followings to the society:

Quarterly /Yearly Results:

Shareholders are provided with Quarterly Financial Statements, Half Yearly 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 and emailed to the shareholders' email addresses through online. These reports are also available on the Company's website -www.seapearlbd.com.

Internal Audit:

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 the 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. International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, have been followed and adequately disclosed.

Statutory Audit:

The statutory audit is governed by the Companies Act, 1994, 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 Mahfel Huq & Co., Chartered Accountants member firm of AGN International appointed as statutory auditor in the 10th Annual General Meeting by the shareholders and upon completion of three years they not eligible for re-appointment for the next year. As such, the Board of Directors recommended Kazi Zahir Khan & Co., Chartered Accountants for appointment as external auditor for the year ended 30 June, 2021 subject to approval of the Shareholders in the ensuing 11th AGM of the Company scheduled to be held on 19 December 2020.

Corporate Governance Compliance Audit:

Pursuant to the Corporate Governance Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued by Bangladesh Securities & Exchange Commission 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 Board of Directors appointed M/S. HODA VASI CHOWHDURY & CO, Chartered Accountants as compliance auditor for certification of compliance on Corporate Governance for the year ended 30 June 2020. The Compliance Certificate is obtained from M/S. HODA VASI CHOWHDURY & CO, Chartered Accountants and certifies that the Company has duly complied with all the conditions of the regulatory requirements as stipulated in the new Corporate Governance Code of Bangladesh Securities & Exchange Commission.

Code of Conduct for the Chairman, other Board members and Managing Director and / or Chief Executive Officer:

In compliance with the conditions, i.e., Corporate Governance Code no. 1(7) (a) (b) the Board of the Company has established 'Code of Conduct' for its Chairman, other Board members and Managing Director and / or Chief Executive Officer based on the recommendation of the Nomination and Remuneration Committee (NRC) upon condition no.6 issued by the Bangladesh Securities and Exchange Commission (BSEC) known as Corporate Governance Code. The Code intended to serve as a source of guiding principles for Directors. Directors should bring questions about particular circumstances involving any Director that may implicate one or more of the provisions of this Code. The Company Secretary who will discuss such questions, as appropriate, with the Chairperson of the Board, the Chair of the Corporate Governance Committee and /or other inside or outside legal counsel. The Board will not permit any waiver of this Code for any Director.

Subsidiary Company:

The company has no subsidiary company.

Human Resources:

As a part of commitment to have a well trained work force, the Company has given more stress to develop management skills to suit today's business environment. Various training programs and workshops were carried out during the year. The management and employees relationship in the Company was excellent throughout the year. Environmental Protection Being a Green HotelSea Pearl Beach Resort & Spa Ltd. strongly adheres to the concept of an ecologically friendly environment and has hence implemented various measures to lower Carbon Dioxide emissions. Sea Pearl is the first in its industry that built on the concept of Green facility like STP, WTP & Desalination Plant, and solar System, lowering the consumption of energy and water, implementing best waste management methods, using extra low voltage system (ELV). The heat generated by our capture power plant is recycled and reused as cogeneration energy to operate the Chiller which would have needed about 1000 kw of conventional Electrical Power. The Resort also has a Rain harvesting project which provides natural water to our in-house reservoir.

Award & Recognitions:

Sea Pearl Beach Resort & Spa Limited has been recognized by different national and international credible organizations and professional bodies for its accountability, transparency, good governance and fair disclosure to the stakeholders.

Future Planning:

With the development of Travel and Leisure sector, tourism of Bangladesh is flourishing. Travel and Leisure sector contributes significantly to the national revenue. This sector has remarkable growth and huge potential to contribute to the overall trade balance of the country. Sea Pearl Beach Resort & Spa Limited has done tremendously to put positive impact to the travelers.

The Government of Bangladesh has taken mega project for the development of the Cox's bazar area such as construction of meter gage railway line, international airport, stadium, exclusive zone for foreigners, etc. to attack the local & foreign tourists.

Sea Pearl Beach Resort & Spa Limited has planned to open more rides in its the Water Park which is adjacent to the Resort at the end of the current year. Our intention is to provide the best quality service through innovative ideas. The management of Sea Pearl Beach Resort & Spa Limited is diversifying its portfolio by establishing resort at Bandarban at an area of 35 Acre land. The Company has applied to the authority for the approval for drawing, design, structural construction and environmental clearance for the new resort.

Sea Pearl Beach Resort & Spa Limited is working with tremendous dedication and innovation to lead the Company to a new spectrum which will serve as an example not only for the Bangladeshi but also for 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.

Management Appreciation

I take this opportunity, on behalf of the Board of Directors, to express my heartfelt gratitude to all of our valued clients, shareholders and well-wishers home and aboard for their wholehearted co-operation and active support in discharging the responsibilities reposed on me and the Board during the year under review.

I am also giving thanks to the Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE), Government and Private Sector Organization and many others for their sincere support and whole hearted co-operation to our company.

I, on behalf of the Board also put on record my deep appreciation for the services and loyalty of the executives, officers and workers of the company at all levels without which we could not have achieved this result.

To ensure financial security we always welcome your suggestion and opinion to improve present and future services of the company.

I now appeal to the magnanimity of valued shareholders to kindly accept and approve the Auditors' Report, Annual Audited Financial Statements 2019-2020 and Directors' Report placed before you.

Thanking you,

On behalf of the Board of Director

Mrs. Lucy Akhtary Mahal Chairperson

of mahal.

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CN-2020/209



Date of issue: July 20. 2020

Renewed Certificate

This is to certify that

SEA PEARL BEACH RESORT & SPA LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2020.





MANAGEMENT DISCUSSION AND ANALYSIS

Dear Respected Board of Directors and Shareholders, Assalamualaikum,

As per condition No. 1.5 (xxv) of Corporate Governance Code as imposed by Bangladesh Securities and Exchange Commission (BSEC) by the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018; a management discussion and analysis of the company's position an operation along with a brief discussion of change in the financial statements, among others are given below:

(A) Accounting Policies & Estimation:

Specific accounting policies & accounting estimates have been selected and applied by the Company's management for significant transactions and events that have a material effect within the Framework for preparation and presentation of the financial statements. Financial statements have been prepared and presented in compliance with IAS-1 "Presentation of Financial Statements".

Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared on the Historical Cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

Going concern

As per IAS-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 period/year. The Company made net loss during the year because of the unprecedented impact of COVID-19 as almost 4 months (from March to June) it's operation was closed in accordance with government instruction to prevent the virus. The company has adequate resources to continue in operation for the foreseeable future as it resumes its operation with huge market demand since the lockdown has come to an end and shall have enough operating cash inflow to pay off its current liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

Accrual basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

(B) Change in Accounting Policies & Estimation:

Accounting policies & estimation have not changed from preceding years for preparing and presenting the financial statements for the year ended 30th June, 2020.

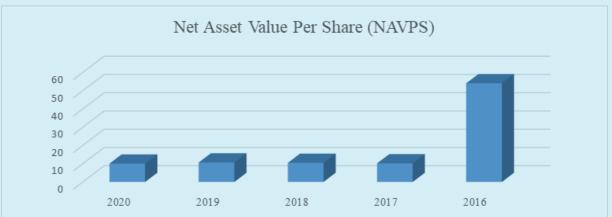
(C) Comparative Analysis of Financial Performance & Financial Position with Immediate Preceding Five Years:

Key financial position at a glance for the last 05 (five) years:

| Particulars | Amount in Taka | | | | |
|----------------------------|----------------|---------------|---------------|---------------|---------------|
| Particulars | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 |
| Non-Current Assets | 5,259,715,916 | 4,785,825,908 | 4,331,010,753 | 4,043,249,321 | 3,746,684,951 |
| Current Assets | 346,307,346 | 427,680,181 | 456,269,527 | 85,927,027 | 157,353,470 |
| Total Assets | 5,606,023,262 | 5,213,506,089 | 4,787,280,280 | 4,129,176,348 | 3,904,038,421 |
| Authorized Capital | 2,000,000,000 | 2,000,000,000 | 2,000,000,000 | 250,000,000 | 250,000,000 |
| Shareholder's equity | 1,214,522,392 | 1,225,567,748 | 1,047,657,095 | 86,565,145 | 33,795,824 |
| Non-current liabilities | 3,563,220,537 | 3,436,000,894 | 3,523,101,485 | 3,690,713,031 | 2,974,828,495 |
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| Total Equity & Liabilities | 5,606,023,262 | 5,213,506,089 | 4,787,280,280 | 4,129,176,348 | 3,904,038,421 |
| Net Asset Value Per Share | 10.06 | 10.66 | 10.48 | 10.18 | 54.07 |
| (NAVPS) | | | | | |







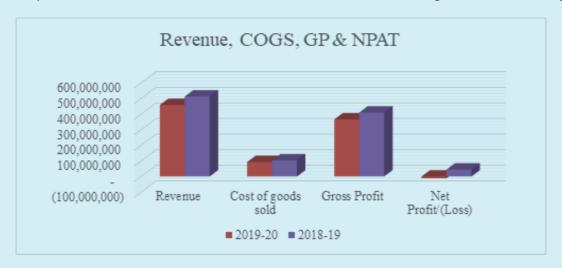
Key financial performance for the last 05 (five) years:

| | Amount in Taka | | | | | |
|--------------------------|----------------|---------------|---------------|---------------|---------------|--|
| Particulars | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | |
| Operating Revenue | 458,507,744 | 512,794,073 | 468,895,376 | 331,565,052 | 74,597,418 | |
| Cost of Sales | (92,832,423 | (102,988,275) | (102,054,551) | (67,712,481) | (26,352,768) | |
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| Operating Expenses | (170,375,721) | (175,726,418) | (180,979,598) | (120,819,558) | (54,305,979) | |
| Profit from Operation | 195,299,600 | 234,119,000 | 185,861,227 | 143,033,013 | (6,061,329) | |
| Other Income/(Loss) | (6,967,498) | 933,915 | - | - | - | |
| Finance Cost | (197,068,106) | (178,779,759) | (97,940,475) | (96,464,826) | (38,098,942) | |
| Contribution to WPPF | - | (2,679,674) | (4,186,702) | - | - | |
| Profit/(Loss) Before Tax | (8,736,004) | 53,593,482 | 83,734,050 | 46,568,187 | (44,160,271) | |
| Income tax | (2,309,352) | (9,170,129) | (37,642,100) | (16,298,866) | 15,456,095 | |
| (expanse)/Benefit | | | | , | | |
| Profit/(Loss) After Tax | (11,045,356) | 44,423,353 | 46,091,950 | 30,269,321 | (28,704,176) | |

Cost of Goods sold, Gross Profit Margin and Net Profit Margin:

| Particulars | 2019-20 | 2018-19 |
|--------------------|--------------|---------------|
| Revenue | 458,507,744 | 512,794,073 |
| Cost of goods sold | (92,832,423) | (102,988,275) |
| Gross Profit | 365,675,321 | 409,805,798 |
| Net Profit/(Loss) | (11,045,356) | 44,423,353 |

Graphical Presentation of Revenue, Cost of Goods sold, Gross Profit Margin and Net Profit Margin



During the year operating revenue, gross profit increased but net profit decreased due to pandemic caused by COVID-19 and Marine Drive Road block due to road construction undertaken by the LGED along with increase of finance cost.

(D) Comparison of Financial Performance with Peer Industry:

The Royal Tulip Cox's Bazar still stands in first position in the Cox's Bazar area in all aspect of financial and nonfinancial key performance indicators such as highest revenue, occupancy rate, food quality, GOP, ADR, property maintenance, security, etc. The Company is the number one resort in the Cox's Bazar area.

In the Cox's Bazar area hospitality industry has become very competitive like many other industries as couple of new famous brand hotels with huge number of keys have recently been added. We are very vigilant about the future state of competition and have prepared ourselves to face the new competitors and challenges.

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 "Royal Tulip Cox's bazar" as the Resort of "First choice' for the foreign and local quests. Reliable financial information of similar industry is not available, so comparison of financial performance with peer industry is not possible.

(E) Financial & Economic Scenario of The country & The Globe:

The economy of Bangladesh has experienced a stable growth since 1980. Over the past two decades, the country has recorded an annual average growth rate of 6% of GDP and has reduced the poverty rate by half in 2016, 24,8% of the population was considered under the poverty line, compared to 48,1% in 2000. Growth amounted to 7.3% in 2019 supported by remittances from nearly 7.5 million Bangladeshi living abroad (USD 2,598.21 Million in July of 2020), garment exports, increased wages and low inflation. The market-based economy of Bangladesh is the 31st largest by purchasing power parity and 42nd largest in the world in nominal terms; it is classified among the emerging market middle income economies and a Frontier market. In 2019, per-capita income was estimated as per IMF data at US\$4,561 (PPP) and US\$1,754 (Nominal). GDP per capita in Bangladesh is expected to reach 1250.00 USD by the end of 2020. GDP growth rate in FY 2020 is expected to 1.5% which is a remarkable achievement in the context of pandemic caused by Corona Virus.

The world economy has negatively impacted due to the pandemic caused by Corona Virus. In 2019, global economic growth reached 3.2 per cent—the highest growth rate since 2011—and growth rate in 2020 is -4.9%. Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some $6\frac{1}{2}$ percentage points lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

(F) Risk & Concerns Issues Related to the financial Statements:

a) Interest Rate Risk

Interest rate risk is that which the company faces due to unfavorable movements of 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 Sea Pearl Beach Resort & Spa Limited has not borrowed funds at flexible interest rate, hence, not involved in the interest rate risk. The company has been repaying borrowed funds on a continuous basis.

a) Exchange Rate Risk

Exchange rate risk arises 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. When exchange rate is increased against local currency opportunity is created for generating more profit.

Management Perception:

Sea Pearl Beach Resort & Spa Limited management changes the price of their services to cope with the change in exchange rate to mitigate the effect of unfavorable volatility in exchange rate on the company's earnings.

b) 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.

c) 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 "Royal Tulip Cox's bazar" has a very strong image in the local and international market. GT Investments BV also have 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 into the market and upgrading the quality of their service to minimize the risk.

d) 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:

Though the economic activities of the country has adversely impacted due to Corona Virus pandemic the operation of the Company started in full swing. We have taken all precautionary measures to continue our operation for the future time. 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.

(G) Future Plan or Projection for Company's Operation, Performance & Financial Position:

With the development of Travel and Leisure sector, tourism of Bangladesh is flourishing. Travel and Leisure sector contributes significantly to the national revenue. This sector has remarkable growth and huge potential to contribute to the overall trade balance of the country. Sea Pearl Beach Resort & Spa Limited has done tremendously to put positive impact to the travelers.

The Government of Bangladesh has taken mega projects for the development of the Cox's bazar area such as construction of meter gage railway line, international airport, stadium, exclusive zone for foreigners, etc. to attack the local & foreign tourists.

Sea Pearl Beach Resort & Spa Limited has planned to open more rides in its the Water Park which is adjacent to the Resort at the end of the current year. Our intention is to provide the best quality service through innovative ideas. The management of Sea Pearl Beach Resort & Spa Limited is diversifying its portfolio by establishing resort at Bandarban at an area of 35 Acre land. The Company has applied to the authority for the approval for drawing, design, structural construction and environmental clearance for the new resort.

Sea Pearl Beach Resort & Spa Limited is working with tremendous dedication and innovation to lead the Company to a new spectrum which will serve as an example not only for the Bangladeshi but also for 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.

On behalf of the company

(Md. Aminul Haque) **Managing Director**

AUDIT COMMITTEE REPORT

Dear Respected Board of Directors and Shareholders Assalamualaikum,

The Audit Committee of Sea Pearl Beach Resort & Spa Limited pleased to present the committee activities report for the year ended on 30 June 2020. The Audit Committee Report presented under condition No. 5(6)(a) of pursuant to the Corporate Governance Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued by Bangladesh Securities & Exchange Commission under section 2CC of the Securities and Exchange Ordinance. 19690, provides an insight on the activities of the Audit Committee for the year ended on 30th June 2020.

Constitute of the Audit Committee

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 acts as the Secretary to the Audit Committee. The Committee assists the Board of Directors to ensure that the financial statements reflect true and fair view of the state of affairs of the company and also ensure a congenial working method exist in the organization as per guidelines of the Regulators. The Audit Committee is responsible to the Board and the responsibilities of the Audit Committee have been clearly set forth in writing. As required, all Members of the Audit Committee are 'financially literate' and are able to analyses and interpret financial statements for effective discharge their responsibilities as member of the Audit Committee. All members have more than 10 (ten) years of experience in corporate management and professions. The Committee always assists the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company that ensures a true monitoring system with the Company. During the financial year 2019-2020 the committee has conducted 05 (five) meetings.

The Members of the Audit Committee are as follows:

| SL No | Name | Designation | Position |
|-------|-----------------------|----------------------|----------|
| 01 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 02 | Mrs. Sarjana Islam | Nominated Director | Member |
| 03 | Mr. Ekramul Hoque | Director | Member |

Roles and responsibilities of the Audit Committee:

The Roles and responsibilities of the Audit Committee are as follows:

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- Oversee hiring and performance of external Auditors;
- Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adaption;
- Review along with the management, the annual financial statements before submission to the Board for approval;
- Review along with the management, the quarterly and half yearly financial statements before submission to > the Board for approval;
- Review the adequacy of internal audit function;
- Review the Management's Discussion and Analysis before disclosing in the Annual Report;
- Review statement of all related party transactions submitted by the management;
- Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;
- Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:
- To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. issued by the regulatory authorities have been complied with:
- Other matters as per Terms of Reference (TOR) of the Audit Committee and also as directed by the Board, from time to time.

Authority

As per conditions of Corporate Governance Code, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms of Reference (TOR). It is authorized to seek any information it requires from and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee.

The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The TOR of the Audit Committee may be amended from time to time as required for the business in line with Bangladesh Securities & Exchange Commission Notifications, subject to approval by the Board of Directors of the Company.

Committee Meeting

The Committee conducted (05) meetings during the financial year 2019-2020:

| SL No. | Meeting No. | Date of Meeting | Attendance |
|-----------|---|------------------|------------|
| 01. | 1st Audit Committee Meeting | 28 October 2019 | 3 |
| 02. | 2 nd Audit Committee Meeting | 05 November 2019 | 2 |
| 03. | 3 rd Audit Committee Meeting | 15 January 2020 | 3 |
| 04. | 4 th Audit Committee Meeting | 29 June, 2020 | 2 |
| 05. | 5 th Audit Committee Meeting | 30 June, 2020 | 3 |

Reporting of the Audit Committee:

Reporting to the Board of Directors:

The Audit Committee reports on its activities to the Board of directors regularly.

The Audit Committee immediately reports to the Board of Directors on the following findings, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary.

Reporting to the Shareholders and General Investors

The Audit Committee Reports on its activities carried out including any report made to the Board of Directors under condition 5(6)(a)(ii) of the Bangladesh Securities & Exchange Commission's Corporate Governance Code mentioned above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Activities and recommendations of the Audit Committee for the year ended on 30 June 2020

- a) Overseeing the financial reporting process;
- b) Monitored internal control risk management process. A separate Internal Control Team is in place to insure effective performance of Internal Control activities;
- c) Reviewed the financial statements of the Company for the year ended 30 June, 2020 & recommended to the Board for adoption;
- d) Reviewed and recommended to the Board of Directors to approve the annual, half-yearly and quarterly financial statements;
- e) Reviewed the related party transactions entered into by the Company for the year ended 30 June, 2020;
- f) Reviewed the Management Letters issued to the Company from the external auditors for the year ended 30 June, 2020 together with management response to the findings;
- g) Approved audit plan and resource allocation for the Internal Audit Services.
- h) Reviewed the adequacy of Internal Audit activities carried out during the year
- i) Reviewed the Internal Audit Reports and monitored implementation of Audit Action Plans to improve Internal Control Systems.
- j) Committee recommended Kazi Zahir Khan & Co., Chartered Accountants for appointment as the external auditors of the Company for the year ended 30 June, 2021;
- k) Committee recommended Hoda Vasi Chowdhury & Co., Chartered Accountants for appointment as the corporate governance auditors of the Company for the year ended 30 June, 2021;
- I) The Committee regularly reviewed whether the proceeds raised through Initial Public Offering (IPO) have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.
- m) Reviewed whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. issued by the regulatory authorities have been complied properly.

The Managing Director, the Chief Financial Officer, the Internal Auditors of the Company and representatives of the External Auditors had attended the meetings upon invitation by the Audit Committee. From time to time, other senior Members of the Management, as invited by the Audit Committee, also attended the above Audit Committee meetings. The Audit Committee met with the internal Auditors separately, and with the External Auditors on an annual basis.

The Audit Committee also reviewed, approved and monitored the procedures and task of the internal audit, financial report preparation and the external audit report. The Committee found adequate arrangement to present a true and fair view of the activities and the financial status of the Company and it did not find any material deviation, discrepancies or any adverse findings/observations in the areas of reporting.

Gratitude

The members of the Audit Committee express their gratitude and thanks to the Board of Directors for their prudent guidance and the Management for their cooperation in performing their duties and responsibilities.

Mr. Md. Rafiqul Islam

Chairman **Audit Committee**

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NOMINATION AND REMUNERATION COMMITTEE (NRC) REPORT

Dear Respected Board of Directors and Shareholders

Assalamualaikum,

Compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission's notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated: 03 June 2018, the Nomination and Remuneration Committee (NRC) as a subcommittee has been constituted by the Board of Directors to assist the Board of Directors in the formulation of the nomination criteria or policy for determining the qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering remuneration of directors and top level executives.

Constitute of Nomination and Remuneration Committee (NRC):

Compliance with the section 6 (2) (a)(b) of the Corporate Governance Code of the Commission, the Chairperson is an Independent Director. All members have more than 10 (ten) years of experienced in corporate management and professions. The NRC conducted one meeting during the financial year. The Chairperson, Mr. Md. Rafiqul Islam chaired the meeting where all the members of the Committee were present. In NRC's first meeting all members exchanged their views and discussed on the Terms of Reference, role & responsibilities and reviewed the existing policy & procedures and submitted their recommendation to the Board.

The Nomination and Remuneration Committee consists of the following Members:

| SL No | Name | Designation | Position |
|-------|-------------------------|----------------------|----------|
| 1 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 2 | Mr. Ekramul Hoque | Director | Member |
| 3 | Mrs. Lucy Akhtary Mahal | Chairperson | Member |

Role of the Nomination and Remuneration Committee:

- (a) NRC shall be independent and accountable to the Board and to the shareholders;
- (b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
- (i) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
- · The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- · Remuneration to directors, top level executives involving a balance between fixed and incentive pay and reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (ii) Devise a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (iii) Identify persons who are qualified to become directors and who may be appointed in top level executive positions in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (iv) Formulate the criteria for evaluation of performance of independent directors and the Board;
- (v) Identify the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) Develop, recommend and review annually the company's human resources and training policies;
- (c) The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

Authority

The Board authorizes the Committee to:

a) Investigate any activity within its Terms of Reference and make recommendations to the Board which it deems appropriate on any area within its limit where action or improvement is needed.

- b) Seek any information it requires from or request the attendance at any of its meetings of any director or any employee of the Group and all directors and employees are expected to co-operate with any requests made by the Committee.
- c) Use any form of resource that it considers to be appropriate, including obtaining, at the Company's expense (such expense to be agreed in advance with the Committee Chair).

Activities and recommendations of the NRC for the year ended on 30 June 2020:

- I. Reviewed the established Code of Conduct for the Chairman, other Board members & Chief Executive Officer.
- II. Reviewed the criteria for determining qualifications of Directors & recommend a policy to the Board, relating to the remuneration of the directors, top level executive;
- III. Developing, recommending and reviewing annually the company's human resources and training policies;
- IV. Monitor the level and structure of remuneration for senior management;
- V. Determine the remuneration of the Company's Managing Director, Chief Executive Officer, the Chairman, the Manager, HRM, the Chief Financial Officer and the Company Secretary;
- VI. Oversee any major changes in employee benefits structures throughout the Company;
- VII. The NRC has reviewed post employee benefits of the Company to comply with IAS 19 Employee Benefits and a new policy is under process for final review of Board.

Gratitude

The members of the Nomination and Remuneration Committee express their gratitude and thanks to the Board of Directors for their prudent guidance and the Management for their cooperation in performing their duties and responsibilities.

Mr. Md. Rafiqul Islam

Chairman

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Nomination and Remuneration Committee

STATEMENT OF CORPORATE GOVERNANCE

Sea Pearl Beach Resort & Spa Limited trusts in adopting the best practices in the area of Corporate Governance and follows the principles of transparency and accountability, thereby protecting the interests of its stakeholders as well as stakeholders. The Board of Directors considers it a trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding their financial assets.

Corporate Governance structure

The Company practices Corporate Governance is based on the principles of full compliance with the laws of regulatory bodies in which we operate and on open and transparent communication with all shareholders. Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- > Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/ 2006-158/207/Admin/80 dated 03 June 2018 on Corporate Governance known as Corporate Governance Code;
- > The Securities & Exchange Rules 1987;
- > The Securities & Exchange Ordinance 1969;
- > The Companies Act 1994 and other applicable regulations of Bangladesh;
- > Dhaka Stock Exchange Limited and Chittagong Stock Exchanges Limited Listing Regulations;
- > Laws of the Country;
- > Standards of Business Conduct, Policies and Guidelines of the Company; Statement of Risk Management Internal Control of the Company;
- > Statement of Delegated Authorities of the Company; and
- > Local and global best practices.
- > The BSEC, DSEL and CSEL notices, circulars, explanations, etc.

Sea Pearl Beach Resort & Spa Limited has complied during the year financial reporting standards applicable to the company and as required by Bangladesh Securities and Exchange Commission and ensures basic four columns of good governance i.e. Accountability, Transparency, Predictability & Balancing the Extreme through utilization of available resources and day to day decision making in conformity with instructions of regulatory bodies.

The Board of Directors continued its pursuit of achieving these objectives through the adoption and monitoring of corporate strategies, prudent business plans monitoring major risks of the Company's business and ensuring that the Company pursues policies and procedures to satisfy its legal and ethical responsibilities. The Board also believes that a good corporate reputation is the most valuable and competitive asset of a company. It is directly linked to uncompromising compliance with applicable laws, regulations and internal guidelines. Compliance is thus a central pillar of the management and corporate culture and, at the same time, an integral part of all of its business processes.

The Board of Directors also continuously reviews its corporate governance structures to ensure its relevance, effectiveness and sustainability in addressing future business challenges.

Board of Directors

Composition of Board

The Board of Directors consists of 06 (six) members including Managing Director and 02 (two) 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.

The List of Board of Directors is as follows:

| SL No. | Name of Directors | Designation |
|--------|-------------------------|----------------------|
| 01. | Mrs. Lucy Akhtary Mahal | Chairman |
| 02. | Mr. Md. Aminul Haque | Managing Director |
| 03. | Mr. Ekramul Hoque | Director |
| 04. | Mrs. Sarjana Islam | Nominated Director |
| 05. | Mr. Md. Rafiqul Islam | Independent Director |
| 06. | Mr. Md. Golam Rabbani | Independent Director |

Constitutes and responsibilities of the Board of Directors

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the Shareholders. The Board is collectively responsible to the Company's shareholders as laid down in its Articles of Association and the relevant laws and Regulations. The Board of Directions is taken at its meetings held as per the Company's Articles of Association.

The Chairman calls the meetings of the Board of Directors and Sub-Committee of the Board of Directors. The Company Secretary prepares the agenda in consultation with the Chairman, Managing Director, Directors and the Chairman of various Committees. The Agenda for the meetings of the Board of Directors and its Committees, together with the appropriate supporting documents are circulated well in advance of the meetings. All Board members are entitled to raise other issues. The Board of Directors of the Company is the ultimate body for the overall management and operation of the Company. The Board of Directors of the Company mainly directs on policy formulation and monitoring of its guidelines. The Company Secretary and Compliance officer are accountable to the Board of Directors for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

Independent Director

The Company has complied with the notification of BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 on "Corporate Governance Code" issued by Bangladesh Securities and Exchange Commission with regard to the composition of the Board. In the notification says at least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors. The Company has two (2) Independent Directors out of six (6) Board of Directors. They are Mr. Md. Rafiqul Islam and Mr. Md. Golam Rabbani.

Qualifications of Independent Director

Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. Mr. Md. Rafiqul Islam and Mr. Md. Golam Rabbani are the 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 of Directors trusts their experience and knowledge enable them to provide both effective and constructive contribution to the Board.

Chairperson of the Board of Directors and Managing Director or Chief Executive Officer

- (a) The positions of the Chairperson of the Board and the Managing Director and/or Chief Executive Officer (CEO) of the Company filled by different individuals and their duties & responsibilities are well defined. 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 Company's Chairperson, Mrs. Lucy Akhtary Mahal and Managing Director, Mr. Md. Aminul Haque are different individuals.
- (b) The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company. The Company's Managing Director, Mr. Md. Aminul Haque is not Managing Directors of any other listed Company.
- (c) The Chairperson of the Board of Directors of the Company is Mrs. Lucy Akhtary Mahal who was elected from among the non-executive directors of the company.
- (d) The Board of the Company clearly defined the respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer of the Company.

Roles and responsibilities of the Chairperson and Managing Director

The positions of the Chairperson of the Board and the Managing Director of the Company filled by different individuals and their duties & responsibilities are well defined. 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) Code, the roles of Chairperson and Managing Director have been clearly defined by the Board of Directors.

In the absence of the Chairperson of the Board, the Chairperson for that particular Board's meeting has been elected among themselves from non-executive directors. The reason of absence of the regular Chairperson is duly recorded in the minutes.

The Directors' Report to Shareholders

The Board of Directors' Report to Shareholders is incorporated in compliance with the Bangladesh Securities and Exchange Commission Corporate Governance Code which has been enunciated in the page number from 33 to 45 of this annual report.

The Board of Directors meetings

Sea Pearl Beach Resort & Spa Limited has conducted its Board of Directors meeting and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.

The Board of Directors meets regularly to discharge its duties effectively and efficiently. During the financial year 2019-2020, the Board of Directors were held seven (07) meetings and the gap between two meetings did not exceed three months. 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. The attendance record of the Board of Directors meetings held during the year. The Directors attendances are as follows:

| SI. No. | Name | Designation | Attendance |
|---------|-------------------------|----------------------|------------|
| 01. | Mrs. Lucy Akhtary Mahal | Chairperson | 06 |
| 02. | Mr. Md. Aminul Haque | Managing Director | 07 |
| 03. | Mr. Ekramul Hoque | Director | 05 |
| 04. | Mrs. Sarjana Islam | Nominated Director | 05 |
| 05. | Mr. Md. Rafiqul Islam | Independent Director | 05 |
| 06. | Mr. Md. Golam Rabbani | Independent Director | 05 |

Code of Conduct for the Chairman, other Board members and Managing Director and / or Chief Executive Officer

In compliance with the Corporate Governance Code no. 1(7) (a) (b) the Board of the Company established 'Code of Conduct' for its Chairman, other Board members and Managing Director and / or Chief Executive Officer based on the recommendation of the Nomination and Remuneration Committee (NRC) upon condition no.6 issued by the Bangladesh Securities and Exchange Commission (BSEC) known as Corporate Governance Code. The Code intended to serve as a source of guiding principles for Directors. Directors should bring questions about particular circumstances involving any Director that may implicate one or more of the provisions of this Code. The Company Secretary who will discuss such questions, as appropriate, with the Chairperson of the Board, the Chair of the Corporate Governance Committee and /or other inside or outside legal counsel. The Board will not permit any waiver of this Code for any Director.

Purpose of This Code

The purpose of this code is to set out standards of conduct for Directors and take all reasonable steps to ensure that:

- i. The Board provides the independent governance and accountability needed to enable to fulfill its strategy, mission and mandate; and
- ii. The stakeholders namely, without limitation and in no particular order; the public, municipalities, taxpayers and the government have confidence and trust in the integrity, professionalism and impartiality of the decisions made by the Board.

The Nomination and Remuneration Committee shall oversee compliance with this code and the Board of Directors shall disclose interests, provide advisory guidance and investigate potential breaches. This code is neither all-inclusive nor exhaustive.

Subsidiary Company

Regarding the Governance of Board of Directors of Subsidiary Company, Sea Pearl Beach Resort & Spa Limited has no Subsidiary Company at present.

Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)

Appointment

- (a) The Board has appointed the Managing Director (MD), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC).
- (b) Different Individuals:
- The positions of the Managing Director (MD), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) filled by different individuals.
- (c) Holding of Executive Position:
- The Company Secretary (CS) and Chief Financial Officer (CFO) of the company is not hold any executive position in any other company at the same time.
- (d) Roles, responsibilities and duties of the CFO, the HIAC and the CS:

The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;

Roles, Responsibilities & Duties of Chief Financial Officer (CFO), Head of Internal Audit & Company Secretary (CS)

A. Head of Accounts & Finance/Chief Financial Officer (CFO)

The Chief Financial Officer (CFO) provides both operational and programmatic support to the organization. The CFO supervises the finance unit and is the chief financial spokesperson for the organization. The CFO reports directly to the Managing Director/Chief Executive Officer (CEO) and directly assists the Chief Operating Officer (COO) on all strategic and tactical matters as they relate to budget management, cost benefit analysis, forecasting needs and the securing of new funding.

Essential Roles, Responsibilities and Duties

- > Assist in performing all tasks necessary to achieve the organization's mission and help execute staff succession and growth plans.
- > Train the Finance Unit and other staff on raising awareness and knowledge of financial management matters. Work with the President/CEO on the strategic vision including fostering and cultivating stakeholder relationships as well as assisting in the development and negotiation of contracts.
- > Assess the benefits of all prospective contracts and advice the Executive Team on programmatic design and implementation matters.
- > Ensure adequate controls are installed and that substantiating documentation is approved and available such that all purchases may pass independent audits.
- > Oversee the management and coordination of all fiscal reporting activities for the organization including: Revenue/Expense and balance sheet reports etc.
- > Oversee all purchasing and payroll activity for staff and participants.
- > Develop and maintain systems of internal controls to safeguard financial assets of the organization.
- > Oversee the coordination and activities of independent auditors and the preparation of the annual financial statements is in accordance with Generally Accepted Accounting Principle (GAAP), International Accounting Standard (IASs), International Financial Reporting Standard (IFRSs) and International Standard on Auditing etc.
- > Attend Board and Sub-committee meetings; including being the lead staff on the Audit/Finance committee.
- > Monitor banking activities of the organization.
- > Ensure adequate cash flow to meet the organization's needs.
- > Serve as one of the trustees and oversee administration and financial reporting of the organization's Savings and
- > Investigate cost-effective benefit plans and other fringe benefits which the organization may offer employees and potential employees with the goal of attracting and retaining qualified individuals.
- > Oversee the production of monthly reports including reconciliations with Banks as well as financial statements and cash flow projections and annual budgets for use by Executive management, as well as the Audit/Finance Committee and Board of Directors.
- > Assist in the design, implementation, and timely calculations of wage incentives, commissions, and salaries for the staff.
- > Oversee Accounts Payable and Accounts Receivable and ensure a recovery plan is in place.
- > Oversee the maintenance of the inventory of all fixed assets, including assets purchased with government funds (computers, etc.) assuring all are in accordance with federal regulations.

B. Head of Internal Audit

Head of Internal Auditor maintain and develop a strategic audit framework based on an understanding of the risks that the organization is exposed to and develop an audit plan incorporating risks identified via internal audit and risk workshops and to promote higher standards of risk management and value for money through the organization.

Roles, Responsibilities & Duties of Head of Internal Audit

- > Plans and conducts operational, financial and compliance audits to evaluate the effectiveness of internal controls.
- > Determine compliance with selected policies, procedures, and regulations.
- > Make written recommendations to senior administrators to increase efficiency and/or effectiveness of the control systems of functions reviewed.
- > Plan and conduct audits to assess controls, operational efficiencies and compliance with selected policies, procedures and regulations.
- > Resolve audit problems that occur and develop modifications to coverage and schedule.
- > Perform special investigations as requested by the Chairman or Managing Director.
- > Consults with administrators and staff at all levels to promote good business practices.
- > To take the lead in investigating reported misuse of funds.
- > To promote improved standards of financial control and value-for-money.
- > To enhance the quality and extent of the partner external audit and financial accompanier function.
- > To co-ordinate the external audit approach of the agency, through liaison with the external auditors, to ensure the most efficient and effective use of audit resources.
- > To report twice yearly on the results of the Internal Audit Department to the Finance and Audit Committee.
- > To maintain a professional audit staff with sufficient knowledge, skills and experience.
- > To carry out the plan and to manage and develop the staff in the team so that their potential is maximized.
- > Research and keep abreast of legislative issues, new audit regulations/trends and audit methodology. Discuss updates of new regulations with Chairman, Managing Director and relevant departments.
- > Assist in developing annual audit plan and submit to Chairman, Managing Director for review and approval.
- > Assist external auditors as appropriate. Assist in coordinating the Company's response to audit findings and recommendations.
- > Conduct periodic training workshops to promote awareness of internal controls and to discuss changes in policies that will impact the system flow of information.
- > Participate in various committees or task forces geared to policy/procedure development and operational improvements.
- > Supervise and guide staff in support of the Company's mission and audit initiatives.

C. Company Secretary (CS)

The company secretary is responsible for ensuring that the administrative responsibilities set out in company law and the articles of association are properly carried out. The post has no executive or management responsibilities unless these are explicitly delegated by the Board of Directors. So a company secretary cannot, for example, authorize expenditure, borrow money, alter registers or appoint auditors without the authority of the directors or company members. In addition to ensuring that the company complies with the law and observes its own regulations, a company secretary may be assigned other functions in the company's articles of association or they may be delegated by the company's directors. A number of duties are imposed on the company secretary by the Companies Acts.

A company secretary who attends general meetings of the company's members has no vote unless he or she is a member of the company, and a company secretary who attends meetings of the governing body has no vote unless he or she is also a company director. Although a company secretary may have no say in the company's decisions, he or she is an officer for the purposes of company law and can be held liable in the same way as a company director for breach of company law duties.

Roles, Responsibilities & Duties of the Company Secretary (CS)

- > To organize board meetings, informing board of Directors about the awaiting meeting, formulating the agenda of the meeting with Chairperson and/or Chief Executive, compiling the minutes of the meeting and maintaining minute books.
- > To ensure that Annual General Meetings (AGM) are held as per the Companies Act and the companies' Article of Association. Company Secretary is responsible for issuing notices of meetings, distribution of proxy forms, helping directors update themselves and getting prepared in case any shareholder ask questions, helping directors prepare briefing material and ensuring that security arrangements are done for the meeting. During the meeting, they have to ensure that proxy forms are processed properly, voting is carried out properly and recording the minutes of the meeting.
- > To ensure that the Memorandum and Articles of Association is properly complied with. In case any amendments are issued, they have to make sure that they are implemented in the right manner.
- > To maintain relations with Bangladesh Securities & Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE), and the respective regulatory bodies. And he/she is responsible for relaying information regarding the company to the market.
- > To maintain the statutory registers regarding the members, Company charges, Directors and Secretary, Directors' interests in shares and debentures, interests in voting shares and debenture holders.

- > To publish of the Company's annual report and accounts.
- > To maintain the company's register of members, deal with questions of the shareholders and transfer of shareholding etc.,
- > To communicate with shareholders regularly both individual and institutional through circulars and notices, and ensure the payment of dividends and interest.
- > To keep an eye on register of members in case any stakeholder is aiming at taking over the Company.
- > To play a key role in implementing acquisitions, disposals and mergers. They have to make sure that proper documentation is in place and proper commercial evaluation is done.
- > To make sure that the procedure for appointment of directors is followed properly.
- > To ensure that the newly-appointed directors have a proper induction and special training organized, if the need

To provide all types of support and guidance to the Directors, helping them in discharging their duties.

- > To ensure that all statutory and regulatory requirements are properly complied with. They play a key role in ensuring that the decisions of the Board on the whole are properly implemented and communicated within the organization and advise the company and its board of Directors on business ethics and corporate governance.
- > To ensure that the interest of the stakeholders are safeguarded and should communicate with them on
- > To comply with the Company's obligations under the Companies Acts.
- > To make contracts within his or her own sphere of competence i.e. the day to day administration of the Company, if authorized to do so by the Directors of the Company.

Dissemination of Information:

The Managing Director (MD), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC),if removed from their position, Sea Pearl Beach Resort & Spa Limited immediately disseminates such information to the Commission and stock exchange(s).

Requirement to attend Board of Directors' Meetings

Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) of the company are attending the meetings of the Board. If any matter/ agenda consideration is relating to the above official, they did not attend such part of the meeting of the Board.

Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

Pursuant to the condition no. 1(5) (xxvi) imposed vide the commission's Notification BSEC/CMRRD/2006-158/207/Admin/80, Dated: 3rd June, 2018 under section 2cc of the securities and Exchange Ordinance, 1969, Managing Director & Chief Financial Officer of the Company has issued a certificate which has been presented in page no 67 of the annual report.

Board of Directors' Committees:

The Board of Directors has established various Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee, Nomination and Remuneration Committee, Management Committee, Risk management Committee and CSR Committee. 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.

a) Audit Committee:

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 to ensure that the financial statements reflect true and fair view of the state of affairs of the company and also ensure a congenial working method exist in the organization as per guidelines of the Regulators. In the year 2019-2020 the committee has conducted 05 (five) meetings.

Member of Audit Committee is as follows:

| SL. NO. | Name | Designation | Position |
|---------|-----------------------|----------------------|----------|
| 01 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 02 | Mrs. Sarjana Islam | Nominated Director | Member |
| 03 | Mr. Ekramul Hoque | Director | Member |

Roles and responsibilities of the Audit Committee

The Roles and responsibilities of the Audit Committee are as follows:

- > Oversee the financial reporting process.
- > Monitor choice of accounting policies and principles.
- > Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- > Oversee hiring and performance of external Auditors.
- > Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adaption.
- > Review along with the management, the annual financial statements before submission to the Board for approval.
- > Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- > Review the adequacy of internal audit function.
- > Review statement of significant related party transactions submitted by the management.
- > Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.
- > Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.
- > To review whether all the applicable Rules, Regulations, Guidelines, Notifications, Directives, etc. issued by the regulatory authorities have been complied with.
- > Other matters as per Terms of Reference (TOR) of the Audit Committee and also as
- > Directed by the Board, from time to time.

b) Nomination and Remuneration Committee (NRC)

In compliance with the section 6 (2) (a)(b) of the Corporate Governance Code of the Commission, the Board of Directors constituted the Nomination and Remuneration Committee. The Committee is comprised of 03 (Three) member\s 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 Nomination and Remuneration Committee. The Committee has been constituted by the Board of Directors to assists 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 2019-2020 the committee conducted 01 (one) meeting fulfilling the conditions no. 6 (2) (h). The Nomination and Remuneration Committee members are as follows

| SL. NO. | Name | Designation | Position |
|---------|-------------------------|----------------------|----------|
| 1 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 2 | Mr. Ekramul Hoque | Director | Member |
| 3 | Mrs. Lucy Akhtary Mahal | Chairperson | Member |

Role of the Nomination and Remuneration Committee:

- > NRC shall be independent and responsible or account able to the Board and to the shareholders;
- > NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
- (i) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
- > The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
- > The relationship of remuneration to performances clear and meets appropriate performance benchmarks; and
- > Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (iii) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the crate a laid down, and recommend their appointment and removal to the Board;
- (iv) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) Developing, recommending and reviewing annually the company's human resources and training policies;
- > The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

c) Executive Committee:

The Executive Committee is entrusted with the day-to-day management of the Company. The Executive Committee is chaired by the Managing Director and comprises with key senior executives. The Executive Committee, as the Company's management body, is committed to serving the interests of the Company and achieving sustainable growth of the Company. The members of the Executive Committee are collectively accountable for the entire management of the Company and decide on the basic issues of business policy and corporate strategy. The Committee meets in every week to review the business performance of the Company and take decisions as deemed appropriate. The Executive Committee members are as follows:

| SI. No | Name | Designation | Position |
|--------|---------------------------------------|--------------------------------|----------|
| 01 | Mr. Md. Aminul Haque | Managing Director | Chairman |
| 02 | Brig. Gen. AHM Mokbul Hossain (Retd.) | Chief Executive Officer Member | |
| 03 | Dr. Mahjabin Haque Masha | Corporate Director Member | |
| 04 | Mrs. Eeva-Liisa Linder | General Manager Member | |
| 05 | Mr. Julas Biswas | Chief Financial Officer Member | |
| 06 | Mr. Md. Azaharul Mamun | Company Secretary Membe | |
| 07 | Mr. Mahmud Russel | Director, Sales & Marketing | Member |

d) Risk Management Committee:

The Risk Management Committee (RMC) is headed by the Independent Director. The risk controllers periodically review the departmental risks and report to RMC. The RMC reviews the functional risks two times a year, identifies the Company's key risks and ensures that adequate action plans are in place to mitigate the risks. The key risks of the Company are then endorsed by the Audit Committee and then ratified by the Board as far as effective risk management is concerned. In order to ensure effective risk management within the Company, the RMC is responsible for reviewing risks, maintaining an appropriate level of awareness throughout the Company and ensuring effectiveness of the risk management process. The Company maintains a risk register where all the associated risks as well as action plans are recorded. The Risk Management Committee members are as follows:

| SI. No | Name | Designation | Position |
|--------|-----------------------|----------------------|----------|
| 1 | Mr. Md. Rafiqul Islam | Independent Director | Chairman |
| 2 | Mr. Md. Golam Rabbani | Independent Director | Member |
| 3 | Mr. Ekramul Hoque | Director | Member |
| 4 | Mrs. Sarjana Islam | Nominated Director | Member |

e) Board CSR Committee:

The Board Corporate Social Responsibility (CSR) Committee is comprised of three 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 twice in the financial year 2019-2020. The initiatives are all aligned with the SDG's and we are contributing to fulfill the Government's commitment to the nation at large. The Members are as follows:

| SI. No | Name | Designation | Position |
|--------|-------------------------|----------------------|-------------|
| 1 | Mrs. Lucy Akhtary Mahal | Chairperson | Chairperson |
| 2 | Mr. Md. Rafiqul Islam | Independent Director | Member |
| 3 | Mr. Ekramul Hoque | Director | Member |

Reporting by the Committees to the Board:

Each committee regularly reports on their work to the Board of Directors. 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.

External or Statutory Auditors:

The statutory audit is governed by the Companies Act, 1994, 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 Mahfel Huq & Co., Chartered Accountants member firm of AGN International appointed as statutory auditor in the 10th Annual General Meeting by the shareholders and upon completion of three years they are not eligible for re-appointment for the next year. As such, the Board of Directors recommended Kazi Zahir Khan & Co., Chartered Accountants for appointment as external auditor for the year ended 30 June, 2021 subject to approval of the Shareholders in the ensuing 11th AGM of the Company scheduled to be held on 19 December 2020. However compliance of statutory auditor has been detailed below:

- 1. The Company has not engaged its external or statutory auditors to perform the any services of the company mentioned in 7(1) of the Corporate Governance Code.
- 2. No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.
- 3. Representative of external or statutory auditors was present in the 10th Shareholders' Meeting (Annual General Meeting) to answer the queries of the shareholders.

Website of the Company

The company has an official website www.seapearlbd.com which is linked with the website of the stock exchange. The company makes available the detailed disclosures on its website immediately as required under the listing regulations of the concerned stock exchange(s).

Reporting and Compliance of Corporate Governance and Statutory audit:

Sea Pearl Beach Resort & Spa Limited is obtained a Corporate Governance Compliance Certificate from M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants and certifies that the Company has duly complied with all the conditions which has been presented in page 68 of this annual report.

Rotation of the Directors:

Pursuant to section 91(1) of the companies Act, 1994 and clause no. 105 of the Article of Association of the Company, one third of the Directors, shall retire by rotation in every ordinary general meeting. Accordingly, two directors of the Company will retire in the ensuing 11th Annual General Meeting. The retiring Directors are Md. Aminul Haque & Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd.

Financial Reporting and Transparency:

Financial statements have been prepared in line with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IASs). 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. The financial statements have been audited by M/S. Mahfel Huq & Co., Chartered Accountants.

Chief Financial Officer, Company Secretary and Head of Internal Audit are 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 Chief Financial Officer 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. Sea Pearl Beach Resort & Spa 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.

Corporate Social Responsibility (CSR)

Corporate social responsibility (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. Corporate social responsibility 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.

[As per condition No. 1(5) (xxvi)]

SEA PEARL BEACH RESORT & SPA LIMITED

CERTIFICATE OF DUE DILIGENCE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

(As required under the BSEC Guidelines)

Date: 25th October, 2020

To

The Board of Directors

Sea Pearl Beach Resort & Spa Ltd.

Subject: Declaration on Financial Statements for the year ended on 30th June, 2020.

Dear Sirs,

- Pursuant to the condition no. 1(5) (xxvi) imposed vide the commission's Notification No. BSEC/CMRRD/2006-158/207/Admin/80, Dated: 3rd June, 2018 under section 2cc of the securities and Exchange Ordinance, 1969, we do hereby declare that:
- (1) The Financial Statements of Sea Pearl Beach Resort & Spa Ltd. for the year ended on 30th June, 2020. have been prepared in compliance with International Accounting Standard (IAS) or International Financial Reporting Standard (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent reasonable basis;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the company were consistently followed;
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30th June, 2020 and that to the best of our knowledge and belief;
- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
- (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely Yours,

(Md. Aminul Haque)

Managing Director

(Julas Biswas ACS)

Chief Financial Officer (CFO)

Hoda Vasi Chowdhury & Co **Charted Accountants**

REPORT TO THE SHAREHOLDERS OF SEA PEARL BEACH RESORT & SPA LIMITED ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by Sea Pearl Beach Resort and Spa Limited for the year ended on June 30, 2020. This Code relates to the Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

For Hoda Vasi Chowdhury & Co **Chartered Accountants**

Sabbir Ahmed, FCA Partner ICAB Enrolment Number 770

Place: Dhaka, Bangladesh Date: 30 November, 2020

CORPORATE GOVERNANCE COMPLIANCE REPORT Sea Pearl Beach Resort & Spa Limited

Status of compliance with the conditions of Corporate Governance Code as imposed by Bangladesh Exchange Commission (BSEC) by the BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of The Bangladesh Securities and Exchange Ordinance, 1969:

(Report under Condition No.9.00)

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|-----------------|---|
| | | Complied | Not Complied | |
| 1.0 | BOARD OF DIRECTORS | | | |
| 1(1) | Board's Size: The number of the Board members of the company shall not be less than 5 (five) and more than 20 (twenty). | V | | The Board is comprised of 6 Directors. |
| 1.2 | Independent Directors | | | |
| 1(2)(a) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors. | V | | There are two Independent Directors in the Board of SPBRSL. |
| 1(2)(b)(i) | The independent director does not hold any share in the company or holds less than one percent (1%)shares of the total paid-up shares of the company; | 1 | | |
| 1(2)(b)(ii) | The independent director is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members. | V | | |
| 1(2)(b)(iii) | Who has not been an executive of the company in immediately preceding 2 (two) financial years | V | | |
| 1(2)(b)(iv) | The independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies. | V | | |
| 1(2)(b)(v) | Independent Directors are not the members or TREC holder, directors or officers of any stock exchange | √ | | |
| 1(2)(b)(vi) | Who is not the shareholder, directors excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market | V | | |
| 1(2)(b)(vii) | The independent director is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code. | V | | |

| 1(2)(b)(viii) | The independent director shall not be an independent director in more than 5 (five) listed companies. | V | |
|---------------|--|----------------|--|
| 1(2)(b)(ix) | The independent director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI). | √ | |
| 1(2)(b)(x) | The independent director has not been convicted for a criminal offence involving moral turpitude. | V | |
| 1(2)(c) | The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | V | |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days. | N/A | No vacancy occurred |
| 1(2)(e) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. | √ | |
| 1.3 | Qualification of Independent Director (ID) | | |
| 1(3)(a) | Independent Director shall be knowledgeable individual with integrity | \checkmark | The qualification justify their abilities as such |
| 1(3)(b)(i) | Business leader who is or was a promoter or director of an unlisted company having minimum paid up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association | N/A | |
| 1(3)(b)(ii) | Corporate leader who is or was a top level executive not lower than CEO or MD or DMD or CFO or Head of Finance or Accounts or company secretary or head of internal audit and compliance or head of legal service or a candidate with equivalent position of an unlisted company having minimum paid up capital of 100 million or of a listed company. | N/A | |
| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale (at least bachelor degree in economics or commerce or business or law) | V | Md. Rafiqul Islam is a retired official of the People's Republic of Bangladesh |
| 1(3)(b)(iv) | University teacher who has an educational background in economics or commerce or business studies or law. | N/A | |
| 1(3)(b)(v) | Professional or who is or was an advocate practicing at least in the high court division of supreme court or a CA or CMA or CFA or CCA or CPA or CMA or CS or equivalent position. | V | Md. Goalm Rabbani is an advocate practicing in the high court division of supreme court over 25 years. |
| 1(3)(c) | The Independent Director shall have at least 10 years of experience in any field mentioned in clause (b) | 1 | |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission. | N/A | |
| 1.4 | Duality of Chairperson of the Board of Directors and Ma Officer | naging Directo | or or Chief Executive |
| 1(4)(a) | The Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) shall be different individuals. | V | |
| 1(4)(b) | The MD and/or CEO of a listed company shall not hold the same in another listed company | $\sqrt{}$ | |
| 1(4)(c) | The Chairman of the board shall be elected from among the non-executive Directors of the company | V | |

| , , , , | The board shall clearly define respective roles & esponsibilities of chairperson and MD or CEO | $\sqrt{}$ | |
|------------|--|-----------|--|
| m di | n the absence of chairperson of the board, remaining nembers may elect one of themselves from non-executive lirectors as chairperson & the reason of absence shall be fully recorded in the minutes | V | |
| 1.5 T | The Director's Report to Shareholders | | |
| (/(/ | ndustry outlook and possible future developments in the ndustry | V | |
| 1(5)(ii) S | Segment-wise or product-wise performance | V | |
| th | Risk and Concern including external & internal risk factors hreat to sustainability & negative impact on environment, fany | V | |
| | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin. | √ | |
| 1(5)(v) D | Discussion on continuity of any Extra-Ordinary gain or loss. | N/A | |
| re | Basis for related party transactions- a statement of all elated party transactions should be disclosed in the Annual Report. | √ | |
| | Utilization of proceeds from public issues, rights issues and/or through any others instruments. | V | The company raised Tk. 15 crore through IPO and by 15 th July, 2020 it has completed utilization of proceeds from IPO. |
| CC | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing etc. | V | The Company suffer loss during the year as resort's operation was closed for nearly 3 months as per Govt. instruction to contain COVID-19 virus. |
| P | f significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the nanagement shall explain about the variance on their Annual Report. | √ | |
| 1(5)(x) R | Remuneration to directors including independent directors. | V | |
| 0 | The financial statements prepared by the management of the issuer company present fairly its state of affairs, the esult of its operations, cash flows and changes in equity. | V | |
| ` '\` ' | Proper books of accounts of the issuer company have been maintained. | V | |
| a th | Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment. | V | |
| , , , , | nternational Accounting Standards (IAS) & International Financial Reporting Standard (IFRS) as applicable in | V | |
| B fii | Bangladesh, have been followed in preparation of the inancial statements and any departure there-from has been adequately disclosed. | | |
| 1(5)(xv) T | inancial statements and any departure there-from has | V | |

| 4(5)(") | | | |
|----------------|---|--------------|---|
| 1(5)(xvii) | There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed. | V | |
| 1(5)(xviii) | Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained. | 1 | |
| 1(5)(xix) | Key operating and financial data of at least preceding 5 (five) years shall be summarized. | V | |
| 1(5)(xx) | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given. | N/A | The Board of Directors has recommended 1% cash dividend for shareholder other than Directors & Sponsors for the year. |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend. | V | |
| 1(5)(xxii) | The number of Board meetings held during the year and attendance by each director shall be disclosed. | V | |
| 1(5)(xxiii) | A report on the pattern of shareholding disclosing the a details where stated below) held by | ggregate num | ber of shares (along with name wise |
| 1(5)(xxiii)(a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details). | V | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details). | V | |
| 1(5)(xxiii)(c) | Executives. | V | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). | V | |
| 1(5)(xxiv) | In case of appointment/re-appointment of a Director the to the shareholders | company sha | all disclose the following information |
| 1(5)(xxiv)(a) | a brief resume of the director; | V | |
| 1(5)(xxiv)(b) | Nature of his/her expertise in specific functional areas; | V | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the board. | V | |
| 1(5)(xxv) | A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statement, among others focusing on. | V | |
| 1(5)(xxv)(a) | Accounting policies & estimation for preparation of financial statements | V | |
| 1(5)(xxv)(b) | Changes in accounting policies & estimation, if any clearly describing the effect on financial performance or results and financial position as well as cash flows in the absolute figures | V | |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows in the absolute figures | V | |
| 1(5)(xxv)(d) | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario | N/A | Peer company in similar location is not available |
| 1(5)(xxv)(e) | Briefly explain the financial and economic scenario of the country and the globe | V | |
| 1(5) (xxv)(f) | Risks & concerns issued related to the financial | √ | |

| 1(5)(xxv)(g) | Future plan or projection or forecast for company's operation, performance and financial position, with jurisdiction thereof, i.e. actual position shall be explained to the shareholders in the next AGM | V | | |
|--------------|--|---------------|-----------------|---|
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the board as required under condition No:.3(3) shall be disclosed as per Annexure-A; | √ | | |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of the code as required under condition No.9 shall be disclosed as per Annexure-B & Annexure-C | √ | | |
| 1(6) | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with BSS as adopted by the Institute of Chartered Secretaries of Bangladesh | V | | |
| 1.7 | Code of conduct for the chairperson, other Board meml | pers and Chie | f Executive Off | icer |
| 1(7)(a) | The board shall lay down a code of conduct , based on the recommendation of the NRC at condition No.6 for the chairperson of the board, other board members & CEO of the company | $\sqrt{}$ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted in the website of the company among others prudent conduct & behavior; confidentiality; conflict of interest; compliance with laws , rules & regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency | V | | |
| 2.00 | GOVERNANCE OF BOARD OF DIRECTORS OF SUBSID | IARY COMPA | NY | |
| 2(a) | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | N/A | | |
| 2(b) | At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. | N/A | | |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | N//A | | SPBRSL does not have any subsidiary company |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also. | N/A | | |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | N/A | | |
| 3.0 | MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OF HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) | | | |
| 3.1 | Appointment | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) | \checkmark | | |
| 3(1)(b) | The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals | V | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time | V | | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS | 1 | | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s) | V | | |
| | exchange(s) | | | |

| 3(2) | Requirement to attend Board of Directors' Meetings by the MD or CEO, CS, CFO and HIAC of the company | V | |
|-------------|--|----------------|---------------|
| 3.3 | Duties of Managing Director or Chief executive Officer a | and Chief Fina | ncial Officer |
| 3(3)(a) | The MD or CEO and CFO shall certify to the board that they have reviewed financial statements | √ | |
| 3(3)(a)(i) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading | V | |
| 3(3)(a)(ii) | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws | V | |
| 3(3)(b) | The certification of the MD or CEO and CFO that no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members | V | |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the annual report | V | |
| 4.0 | BOARD OF DIRECTORS' COMMITTEE | | |
| 4(i) | The Board shall have an Audit Committee as a sub-committee of the Board | √ | |
| 4(ii) | The Board shall have a Nomination & Remuneration Committee as a sub-committee of the Board | √ | |
| 5.0 | AUDIT COMMITTEE | | |
| 5.1 | Responsibility to the Board of Directors | | |
| 5(1)(a) | Audit Committee shall be the sub-committee of the Board of Directors | V | |
| 5(1)(b) | The committee shall assist 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 good monitoring system within the business | V | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing | V | |
| 5.2 | Constitution of the Audit Committee | | |
| 5(2)(a) | The Audit Committee shall be composed of at least three members | V | |
| 5(2)(b) | Board shall appoint members of Audit Committee from non- executive directors except chairperson including one independent director | V | |
| 5(2)(c) | All members of the audit committee should be financially literate and at least one member shall have accounting or related financial management experience and ten years of such experience. | V | |
| 5(2)(d) | When the terms of service of any committee member expires or there is any circumstances causing any committee member to be unable to hold before expiration of terms of service where number of Committee members falls short than the prescribed number the board shall fill the vacancy immediately or not later than 1 one month from the date of vacancy | N/A | |
| 5(2)(e) | The company secretary shall act as the secretary of the committee | V | |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least one independent director | V | |
| 5.3 | Chairperson of the Audit Committee | | |
| 5(3)(a) | Chairman of the Audit Committee shall be an Independent Director appointed by the Board | V | |
| 5(3)(b) | In the absence of the chairperson of the audit committee remaining members may elect one of themselves as Chairperson for that particular meeting | V | |
| 5(3)(c) | Presence of Chairman of the Audit Committee in the Annual General Meeting | √ | |

| 5.4 | Meeting of the Audit Committee | | | |
|-----------------|--|----------------|------------------|---|
| 5(4)(a) | Frequency of Meeting of the Audit Committee | √ | | |
| 5(4)(b) | Quorum of the Audit Committee Meeting | √ | | |
| 5.5 | Role of Audit Committee shall include the following | | | |
| 5(5)(a) | Oversee the financial reporting process. | $\sqrt{}$ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles. | V | | |
| 5(5)(c) | Monitor internal audit and compliance process, approval of internal audit and compliance plan and review of these reports | V | | |
| 5(5)(d) | Oversee hiring and performance of external auditors. | V | | |
| 5(5)(e) | Hold meeting with external auditors for review of annual financial statements before submission to the board | V | | |
| 5(5)(f) | Review along with the management, the annual financial statements before submission to the board for approval. | √ | | |
| 5(5)(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval. | 1 | | |
| 5(5)(h) | Review the adequacy of internal audit function. | V | | |
| 5(5)(i) | Review the Management's discussion and analysis before disclosing in the annual report | V | | |
| 5(5)(j) | Review statement of all related party transactions submitted by the management. | V | | |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors. | √ | | |
| 5(5)(I) | Oversee the determination of audit fees and others for effective audit and evaluate performance of external auditors | V | | |
| 5(5)(m) | Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: | V | | The Company raised Tk. 15 crore through |
| | Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: | V | | IPO and by 15 th July, 2020 it has completed utilization of proceeds from IPO. Utilization and reporting of IPO proceeds has been |
| | Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee. | V | | reviewed by Audit Committee. |
| 5.6 | Reporting of the Audit Committee | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board of Directors. | V | | |
| 5(6)(a)(ii) | The Audit Committee shall immediately report to the Bo | ard of Directo | ors on the follo | wings, if any |
| 5(6)(a)(ii)(a) | Report on conflicts of interests; | N/A | | |
| 5(6 (a) (ii)(b) | Suspected or presumed fraud or irregularity or material defect in the internal audit & compliance process or in the financial statement | N/A | | |

| 5(6)(a)(ii)(c) | Suspected infringement of laws, including securities related law, rules and regulations | N/A | |
|----------------|--|-----|---|
| 5(6)(a)(ii)(d) | Any other matter which shall be disclosed to the Board of Directors immediately | N/A | |
| 5(6)(b) | Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of the period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier. | N/A | |
| 5(7) | Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company | V | Activity of AC has disclosed in the Annual Report |
| 6.00 | NOMINATION AND REMUNERATION COMMITTEE (NRC |) | |
| 6.1 | Responsibility to the board of directors | | |
| 6(1)(a) | The company shall have a NRC as a sub-committee of the board | V | |
| 6(1)(b) | NRC shall assist the board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors & top level executives as well as considering remuneration of directors, top level executive | √ | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing | √ | |
| 6.2 | Constitution Of the NRC | | |
| 6(2)(a) | The committee shall comprise of at least 3 members including an independent director | V | |
| 6(2)(b) | All members of the committee shall be non-executive directors | √ | |
| 6(2)(c) | Members of the committee shall be nominated and appointed by the board | √ | |
| 6(2)(d) | The board shall have authority to remove and appoint any member of the committee | √ | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the committee or any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) of occurring such vacancy | N/A | |
| 6(2)(f) | The chairperson of the committee may appoint or co-opt any external expert or members of staff to committee who shall be non-voting member | N/A | |
| 6(2)(g) | Company secretary shall act as the secretary of the committee | √ | |
| 6(2)(h) | Quorum of the NRC shall not constitute without attendance of at least an independent director | √ | |
| 6(2)(i) | No member of the NRC shall receive any remuneration other than Directors' fees or honorarium from the company | √ | |
| 6.3 | Chairperson of the NRC | | |
| 6(3)(a) | The board shall select one member of the NRC to be chairperson of the committee who shall be an independent director | V | |
| | | | |

| 6(3)(b) | In the absence of chairperson of NRC, the remaining members may elect one of themselves as chairman of the meeting. | √ |
|---------------|---|--|
| 6(3)(c) | The chairperson of NRC shall attend the AGM and in the absence of regular chairperson, any member from the NRC shall be selected to attend in AGM | √ |
| 6.4 | Meeting of the NRC | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year | √ |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC | √ |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must | √ |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC | √ |
| 6.5 | Role of the NRC | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the board and shareholders | √ |
| 6(5)(b) | NRC shall oversee among others, the following matters Board | and make report with recommendation to the |
| 6(5)(b)(i) | formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following- | √ |
| 6(5)(b)(i)(a) | The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully | √ |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks | √ |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of company and its goals | √ |
| 6(5)(b)(ii) | A policy on boards diversity considering age, gender, experience, ethnicity, educational background & nationality | √ |
| 6(5)(b)(iii) | Identifying persons who are qualified to become directors and top level executive in accordance with the criteria laid down and recommend their appointment and removal to the board | √ |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of independent directors and the board | √ |
| 6(5)(b)(v) | Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement or promotion criteria | √ |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies | √ |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | √ |
| 7.0 | EXTERNAL OR STATUTORY AUDITORS | |
| 7(1)(i) | Non-engagement in Appraisal or valuation services or fairness opinions | ٧ |
| 7(1)(ii) | Non-engagement in designing and implementation of Financial Information System | V |
| 7(1)(iii) | Non-engagement in Book-keeping or other services related to the accounting records or financial statements | √ |
| 7(1)(iv) | Non-engagement Broker-dealer services | √ |

| 7(1)(v) | Non-engagement in Actuarial services | V | |
|------------|--|----------|--|
| 7(1)(vi) | Non-engagement in Internal audit or special audit services | V | |
| 7(1)(vii) | Non-engagement in any other service determined by the Audit Committee | V | |
| 7(1)(viii) | Non-engagement in audit or certification services on compliance of corporate governance as required under condition: 9(1) | √ | |
| 7(1)(ix) | Any other service that creates conflict of interest | V | |
| 7(2) | No partner or employees and family members of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company. | V | |
| 7(3) | Representative of external or statutory auditors shall remain present in the shareholders meeting (AGM or EGM) to answer the queries of the shareholders | √ | |
| 8.0 | MAINTAINING WEBSITE BY THE COMPANY | | |
| 8(1) | The company shall have an official website linked with the websites of the stock exchange | √ | |
| 8(2) | The company shall keep the website functional from the date of listing | √ | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s) | V | |
| 9.0 | REPORTING AND COMPLIANCE OF CORPORATE GOV | ERNANCE | |
| 9(1) | Obtaining Certificate from a professional accountant/ Secretary other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and disclose it in the Annual Report | V | |
| 9(2) | The professional who will provide the certificate on compliance of the Corporate Governance Code shall be appointed by the shareholders in AGM | V | |
| 9(3) | The directors of the company shall state, in accordance with the annexure attached, in the directors' report whether the company has complied with these conditions | V | |



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Membership of Sea Pearl Preferred entitles the member to the following benefits and privileges at Royal Tulip Sea Pearl Beach Resort & Spa, Inani, Cox's Bazar. Membership is valid for one year and the annual membership fee is BDT 65,000 (Sixty Five Thousand Bangladesh Taka) all inclusive.

CULINARY BENEFITS

- One (01) voucher entitling the member to a complimentary buffet lunch or dinner for 2 persons at Kasbah all-day-dining restaurant. This benefit is non-transferable
- Two (02) vouchers entitling the member/bearer to 20% discount on special occasion F&B package like Valentines' Eve, New Year Eve, Pohela Boishakh for two (02) adults
- During your stay get a discount of 10% for food and beverages in all outlets for maximum 10
 persons dine at a time

MORE NIGHTS FOR LESS

- Six (06) vouchers entitling the member to one (01) night complimentary stay in a "Studio Sea View Room" inclusive of buffet breakfast for two (02) persons. This benefit is non-transferable and subject to availability
- Two (02) vouchers entitling the member/bearer to one (01) night stay in a "Studio Sea View Room" inclusive of buffet breakfast at a preferred rate of BDT 8,000 net per night for two (02) adults. This benefit is fully transferable and subject to availability
- Two (02) vouchers entitling the member to a complimentary upgrade to a "Premier Suite Sea View Room". This benefit is non-transferable and subject to availability
- Get an exclusive 53% discount on regular rate for additional room booking during your stay for your friends, family members
- One (01) voucher entitling the member/bearer to a 10% discount for the booking of a "Royal Tulip Honeymoon Package". This benefit is fully transferable and subject to availability
- Exclusive "early check-in" at 10am and "late check-out" at 4pm only for "Preferred" card holders; subject to availability

MORE SAVINGS AND DISCOUNTS

- Complimentary access to the swimming pool and gym for unlimited time during your stay
- Have fun using the tennis and badminton courts by saving 50% on the regular rate
- Use the biggest water park in Bangladesh, Sea Pearl Water Park and get 50% discount for 2 adults during your stay
- Relax in "Samaya World Spa" and get 30% discount in all treatments
- 20% discount on airport/lounge transfer for two adults in shuttle and private car
- Save 15% on all rides in the "Kid's Gaming Zone" throughout your stay for your kids
- Buy souvenirs from the souvenir shops in the resort with a 10% discount
- Take advantage of 10% discount when booking a sightseeing tour or rent-a-car on the "Sea Pearl Travel Desk"

ACCESS TO PARTNER OFFERS

• Enjoy year round exclusive discount on premium shopping outlets, restaurants, hospitals across the country.

*Terms & Conditions apply

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Royal Tulip Sea Pearl Beach Resort & Spa Jaliapalong, Inani, Ukhia, Cox's Bazar- 4750, Bangladesh

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- Daily buffet breakfast
- One romantic candle light dinner at pool side
- One dinner and two lunches at Al Fresco Restaurant
- In-room honeymoon decoration Honeymoon special cake
- Free return airport/lounge/resort transfer
- In-room tea/coffee maker Free internet WIFI
- 25% Spa discount voucher at Samayaa World Spa
- 20% discounted tickets to Sea Pearl Water Park

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- 1 night accommodation (double room)
- Buffet breakfast for 2
- Buffet lunch and dinner at Kasbah restaurant for 2
- Free return airport/lounge/resort transfer
- Unlimited access to swimming pool and gym
- In-room tea/coffee maker Free internet WIFI
- 20% discount on Sea Pearl Water Park tickets
- Up-to 20% discount on Samayaa World Spa

For reservation, call 01844 016001 01844 016021

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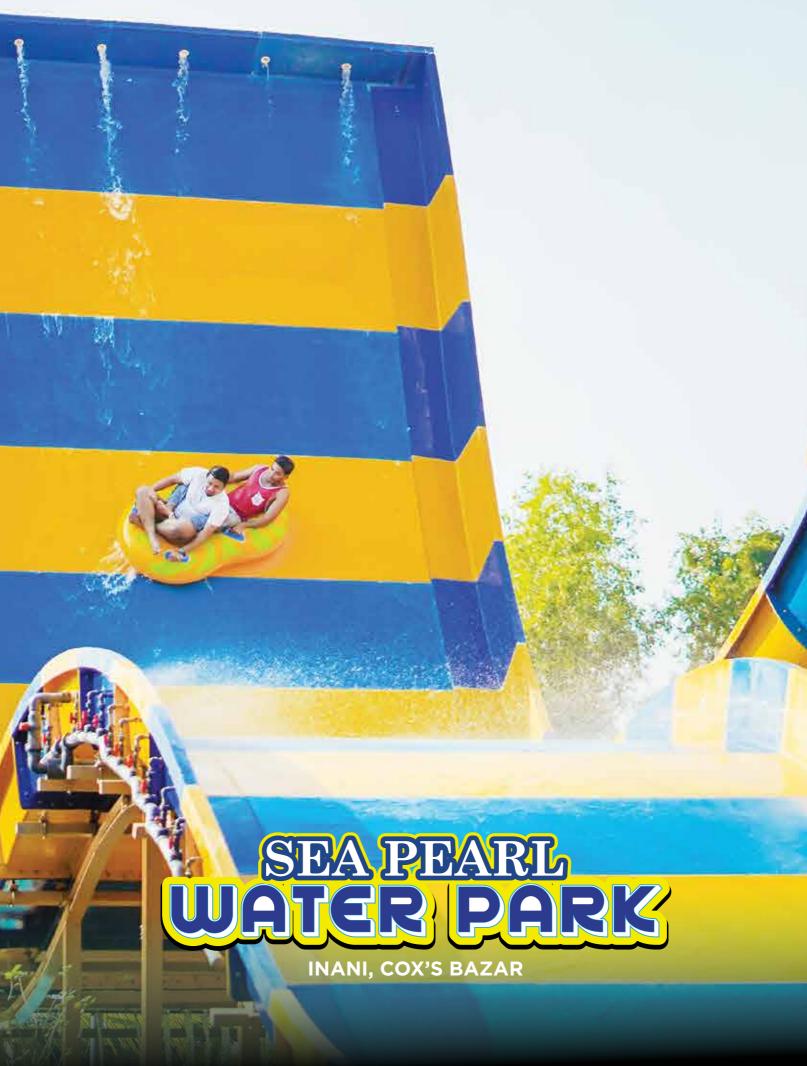


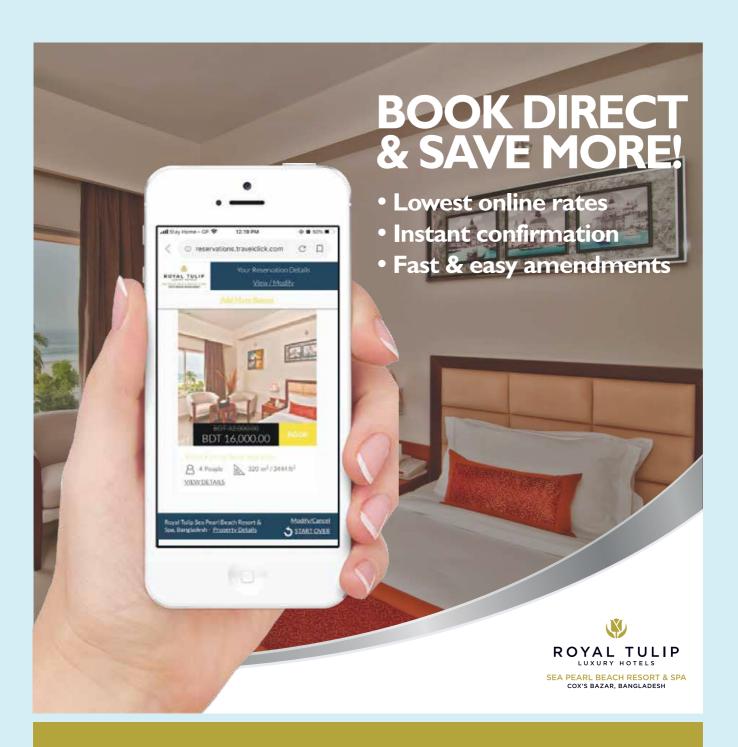




SEA PEARL BEACH RESORT & SPA
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of SEA PEARL BEACH RESORT & SPA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sea Pearl Beach Resort & Spa Limited, which comprise the statement of financial position as at June 30, 2020 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Materiality Uncertainty Related to Going Concern

We draw attention to Note - 30 in the financial statements, which indicates that the company incurred net loss of BDT 11,045,356 during the year ended 30 June, 2020 and, as of that date; the company's current liabilities exceeded its total current assets by BDT 481,972,987. As stated in Note - 3.7, these events or conditions indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note - 4.20 of the financial statements, which describes that the Nomination and Remuneration Committee (NRC) of the company reviewed all post employee benefits and the policies are under process for final review of the Board. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate the matter to those charged with governance.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| SL | Risk | Our response to the risk |
|----|--|---|
| 1. | Refer to note 6.0 to the financial statements. The Company has reported PPE carrying value of BDT 3,080.71 million in the financial statements for the year ended 30 June 2020, which represent a significant balance recorded in the statement of financial position. The value of property, plant, and equipment was identified as a key audit matter due to the significance of this balance to the financial statements and management's judgments. In considering the value of property, plant, and equipment, we primarily focused on inherent risks associated with property, plant and equipment and potential misstatements in property, plant, and equipment on account of frauds and errors. | Our audit procedures included, among others, considering the risk of Property, Plant and Equipment, in addition to we also performed the following substantive audit procedures: • Obtaining an understanding of the internal control over property, plant, and equipment. • Substantiate the existence of property, plant, and equipment. • Assessed compliance with relevant accounting standards. • We critically assessed and verified the Company's policy of asset addition. • We also recalculated the depreciation to assess the sensitivity of the key assumptions including depreciation rate. • We assessed the appropriateness of the related disclosures in Note 6.0 of the financial statements. • We verified records e.g. L/C related all documents for import of a particular asset, land deed for acquisition of land and mode of payment, board approval etc. |
| 2. | Measurement of deferred tax liability Refer to note 18 to the financial statements. Company reported net deferred tax liability totaling BDT 33.91 million as at 30 June, 2020. Significant judgment is required in relation to deferred tax liability as their recoverability is dependent on forecasts of future profitability over a number of years. | We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liability and the assumptions used in estimating the Company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. We also assessed the appropriateness of presentation and disclosures in relation to deferred tax. |
| 3. | Implementation of IFRS 16: Leases IFRS 16 "Leases" becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing standard IAS 17. The Company applied IFRS 16 leases to its leases of vehicles and rent of office premises. The Company reported the right-of-use (ROU) asset for the amount of Taka 15,240,491 and lease liability for the amount of Taka 10,348,532 at the year ended 30 June 2020. Given the first time adoption of IFRS 16 "Leases", there are connections with other line items of the financial statements including depreciation and interest, and higher level of management judgments were required for identifying the lease, lease period, discount rate etc. | We reviewed appropriateness of management's application of IFRS 16 and assessment of the impact on the financial statements. Our audit procedures included testing classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16. We checked the present value calculation for lease and also reviewed loan agreements and made calculation to ascertain the appropriateness of the incremental borrowing rate used. We also examined the accuracy and appropriateness of accounting adjustments in the financial statements arising from the adoption of IFRS 16 as well as verified the sufficiency and appropriateness of disclosures in the financial statements. |

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgments and maintain professional skepticism throughout the audit. We also:

- · Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- · Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- · Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- · Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- · Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place: Dhaka, Bangladesh Dated: 27 October, 2020

S/d-Md. Abu Kaiser FCA Mahfel Huq & Co. **Chartered Accountants**



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SEA PEARL BEACH RESORT & SPA LIMITED Statement of Financial Position As at 30 June 2020

| Particulars | Notes | Amount in Taka | |
|--|-------|----------------|---------------|
| | | 30 Jun 2020 | 30 Jun 2019 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | 5,259,715,916 | 4,785,825,908 |
| Property, Plant and Equipment | 6 | 3,080,712,062 | 2,792,735,668 |
| Right of Use Asset | 7 | 15,240,491 | - |
| Capital Work in Progress | 8 | 2,163,763,363 | 1,993,090,240 |
| CURRENT ASSETS | | 346,307,346 | 427,680,181 |
| Stock of Construction Material | 9 | 3,958,029 | 20,977,580 |
| Inventories | 10 | 35,289,568 | 23,738,936 |
| Investment | 11 | 18,166,764 | 32,369,108 |
| Trade and Other Receivables | 12 | 53,033,626 | 141,325,684 |
| Advances, Deposits and Prepayments | 13 | 139,140,233 | 99,443,690 |
| Cash and Cash Equivalents | 14 | 96,719,126 | 109,825,183 |
| TOTAL ASSETS | | 5,606,023,262 | 5,213,506,089 |
| | | .,,. | ., .,, |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' EQUITY | | 1,214,522,392 | 1,225,567,748 |
| Share Capital | 15 | 1,207,500,000 | 1,150,000,000 |
| Retained Earnings | 16 | 7,022,392 | 75,567,748 |
| NON-CURRENT LIABILITIES | | 3,563,220,537 | 3,436,000,894 |
| Non-current portion of long term borrowings | 17 | - | 8,059,350 |
| Non-current portion of SPBRSL 20% Convertible Secured Bond | 17 | 3,524,265,808 | 3,393,506,700 |
| Non-current portion of Lease Liability | 18 | 5,041,332 | - |
| Deferred Tax Liabilities | 19 | 33,913,397 | 34,434,844 |
| CURRENT LIABILITIES | | 828,280,333 | 551,937,447 |
| Current portion of long term borrowings | 17 | 11,332,438 | 13,888,862 |
| Current portion of SPBRSL 20% Convertible Secured Bond | 17 | 660,317,130 | 439,613,308 |
| Current portion of Lease Liability | 18 | 5,307,200 | - |
| Short term borrowings | 20 | 39,767,221 | 13,722,116 |
| Accounts and other Payables | 21 | 57,587,042 | 31,001,114 |
| Accruals and Provisions | 22 | 53,969,302 | 53,712,047 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 5,606,023,262 | 5,213,506,089 |
| TOTAL SHARLHOLDERS EQUIT FAIRD LIABILITIES | | 3,000,023,202 | 3,213,300,009 |
| NET ASSET VALUE PER SHARE (NAVPS) | 23 | 10.06 | 10.66 |

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Chief Financial Officer

Company Secretary

Director

Chairperson

Managing Director

Dated, Dhaka; 27 October 2020

Mahfel Huq & Co. **Chartered Accountants**



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SEA PEARL BEACH RESORT & SPA LIMITED Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2020

| Particulars | Notes | Amount | in Taka |
|-----------------------------------|-------|---------------------------------|---------------------------------|
| | | 01 July 2019 to 30 June 2020 | 01 July 2018 to 30 June 2019 |
| Operating Revenues | 24 | 458,507,744 | 512,794,073 |
| Costs of Sales | 25 | (92,832,423) | (102,988,275) |
| Gross Profit | | 365,675,321 | 409,805,798 |
| Administrative and Other Expenses | 26 | (161,569,752) | (166,958,928) |
| Distribution & Selling Expenses | 27 | (8,805,969) | (8,727,870) |
| Operating Profit | | 195,299,600 | 234,119,000 |
| Other Income/(Loss) | | (6,967,498) | 933,915 |
| Net Finance Cost | 28 | (197,068,106) | (178,779,759) |
| Profit/(Loss) Before Tax & WPPF | | (8,736,004) | 56,273,156 |
| Workers Profit Participation Fund | | | (2,679,674) |
| Profit/(Loss) Before Tax | | (8,736,004) | 53,593,482 |
| Income Tax Expenses | 29 | (2,309,352) | (9,170,129) |
| Net Profit/(Loss) for the year | | (11,045,356) | 44,423,353 |
| Basic Earnings Per Share (EPS) | 30 | (0.09) | 0.41 |
| Diluted Earnings Per Share | 30 | | - |

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Company Secretary

Dated, Dhaka; 27 October 2020

Chartered Accountants



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SEA PEARL BEACH RESORT & SPA LIMITED Statement of Changes in Equity For the year ended 30 June 2020

| Particulars | Ordinary Share Capital | Retained Earnings | Total Amount (in Tk.) |
|----------------------------|---------------------------|----------------------|--------------------------|
| Balance at 01 July 2019 | 1,150,000,000 | 75,567,748 | 1,225,567,748 |
| Stock Dividend | 57,500,000 | (57,500,000) | - |
| Net Profit for the year | - | (11,045,356) | (11,045,356) |
| Balance as at 30 June 2020 | 1,207,500,000 | 7,022,392 | 1,214,522,392 |

Statement of Changes in Equity For the year ended 30 June 2019

| Particulars | Ordinary Share Capital | Retained Earnings | Total Amount (in Tk.) |
|----------------------------|---------------------------|----------------------|-----------------------|
| Balance at 1st July 2018 | 1,000,000,000 | 47,657,095 | 1,047,657,095 |
| Issuance of shares | 150,000,000 | - | 150,000,000 |
| IPO Expenses | - | (16,512,700) | (16,512,700) |
| Net Profit for the year | - | 44,423,353 | 44,423,353 |
| Balance as at 30 June 2019 | 1,150,000,000 | 75,567,748 | 1,225,567,748 |

Chief Financial Officer

Company Secretary

Director

Chairperson

Managing Director

Dated, Dhaka;

27 October 2020



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SEA PEARL BEACH RESORT & SPA LIMITED Statement of Cash Flows For the year ended 30 June 2020

| Particulars | | Amount in Taka | |
|---|----|---------------------------------|---------------------------------|
| | | 01 July 2019 to 30 June 2020 | 01 July 2018 to 30 June 2019 |
| Cash Flow from Operating Activities: | | | |
| Collection from turnover | 32 | 471,799,802 | 513,629,576 |
| Payment for operating costs & other expenses | 33 | (178,516,537) | (222,433,197) |
| Income tax paid | 34 | (4,962,698) | (6,036,828) |
| Net Cash (used in)/generated by operating activities | | 288,320,567 | 285,159,551 |
| Cash Flow from Investing Activities | | | |
| Acquisition of Property, Plant and Equipment | 35 | (23,323,429) | (27,697,140) |
| Right of Use Asset | | (12,334,371) | - |
| Land & Land Development from IPO Fund | | (26,660,000) | |
| Capital Work in progress | 36 | (339,204,576) | (280,618,894) |
| Investment in share | | 13,409,135 | (34,278,986) |
| Other Income/(Loss) Advances, Deposits and Prepayments | 37 | (6,174,290) | 2,843,793 |
| Net Cash (used in)/generated by investing activities | 31 | (613,125) (394,900,656) | (8,416,659) (348,167,886) |
| | | | |
| Cash Flow from Financing Activities | | | |
| Short Term borrowing Received/(Repaid)-Net | | 26,045,105 | (99,663,635) |
| Net Finance (Cost)/Income | 38 | (815,436) | 223,764 |
| Secured Term Loans Received/(Repaid)-Net | 39 | (10,615,774) | (13,233,672) |
| SPBRSL 20% Convertible Secured Bond | 40 | (50,000,000) | - |
| Lease Loan Received/(Repaid)-Net | | 3,860,137 | - |
| Receipt from/(payment) to related party | | 50,000,000 | (3,944,811) |
| Share issue cost | | - | (16,512,700) |
| Proceeds from fresh issuance of share capital | 41 | 75,000,000 | 75,000,000 |
| Total Cash used in Financing Activities | | 93,474,032 | (58,131,054) |
| Net changes increase /(decrease) in cash and cash equivalents | | (13,106,057) | (121,139,389) |
| Opening cash and cash equivalents | | 109,825,183 | 230,964,572 |
| Closing Cash and Cash Equivalents | | 96,719,126 | 109,825,183 |
| Net Operating Cash Flows per Share (NOCFPS) | 31 | 2.39 | 2.66 |

The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.

Chief Financial Officer

Company Secretary

Chairperson Managing Director

Dated, Dhaka; 27 October 2020



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SEA PEARL BEACH RESORT & SPA LIMITED **Notes to the Financial Statements** For the year ended 30 June 2020

1. Legal status of the Company

1.1 Reporting entity

Sea Pearl Beach Resort & Spa Limited ("the Company") is a Public Limited Company by shares. The Company was incorporated on 26 May 2009 having registration no. C-77653/09/2009 under the Companies Act 1994 as a Private Limited Company in Bangladesh and subsequently the Company was converted into a Public Limited Company by special resolution dated 14 November 2017. The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

1.2 Registered office

The registered office of the company is located at 4 K. B., Ismail Road, Mymensingh.

1.3 Corporate office

Corporate office of the Company is located at UTC Tower (Level-14), 8 panthapath, Karwanbazar, Dhaka-

1.4 Operation office

Operation office of the Company is located at Jaliapolong, Inani, Ukhia, Cox's Bazar-4750, Bangladesh.

2. Nature of business activities

Sea Pearl Beach Resort & Spa Limited (the owner of "Royal Tulip Cox's Bazar") a Five Star Resort & hotel in Bangladesh, started its commercial operation from 17 September 2015. The principal activities of the Company throughout the year were carrying on Resort & Hotel business. The business activities connected with the Resort & Hotel business are carried out through a Franchise Agreement between Sea Pearl Beach Resort & Spa Limited (Franchisee") and GT Investments BV (the "Franchisor)", a limited liability company organized under the laws of the Netherlands, having its registered office at Arnhemseweg 2, 387 CH Amersfoot, the Netherlands dated 01 June 2014. Franchisor are knowledgeable and experienced in managing and promoting five star hotels and resorts and has (and/or its Affiliates have) performed such services throughout the world. The Company has also commenced commercial operation of its Water Park which is at the immediate vicinity of the resort.

3 Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with the applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act 1994 and other applicable laws and regulations.

Applicable International Accounting Standards (IASs) are as follows:

| SL. No | IAS Title | IAS No. | Compliance |
|--------|--|---------|----------------|
| 1 | Presentation of Financial Statements | 1 | Complied |
| 2 | Inventories | 2 | Complied |
| 3 | Statement of Cash Flows | 7 | Complied |
| 4 | Accounting Policies, Changes in Accounting Estimates and Errors | 8 | Complied |
| 5 | Events After the Reporting Period | 10 | Complied |
| 6 | Income Taxes | 12 | Complied |
| 7 | Property, Plant and Equipment | 16 | Complied |
| 8 | Employee Benefits | 19 | Complied |
| 9 | Accounting for Government Grants and Disclosure of Government Assistance | 20 | Not Applicable |
| 10 | The Effects of Changes in Foreign Exchange Rates | 21 | Complied |
| 11 | Borrowing Costs | 23 | Complied |
| 12 | Related Party Disclosures | 24 | Complied |
| 13 | Accounting and Reporting by Retirement Benefit Plans | 26 | Not Applicable |
| 14 | Separate Financial Statements | 27 | Not Applicable |
| 15 | Investments in Associates and Joint Ventures | 28 | Not Applicable |
| 16 | Financial Reporting in Hyperinflationary Economies | 29 | Not Applicable |
| 17 | Financial Instruments: Presentation | 32 | Complied |
| 18 | Earnings Per Share | 33 | Complied |
| 19 | Interim Financial Reporting | 34 | Complied |
| 20 | Impairment of Assets | 36 | Complied |
| 21 | Provisions, Contingent Liabilities and Contingent Assets | 37 | Complied |
| 22 | Intangible Assets | 38 | Complied |
| 23 | Investment Property | 40 | Not Applicable |
| 24 | Agriculture | 41 | Not Applicable |

Applicable International Financial Reporting Standards (IFRSs) are as follows:

| SL. No | IFRS Title | IFRS No. | Compliance |
|--------|--|----------|----------------|
| 1 | First-time Adoption of International Financial Reporting Standards | 1 | Complied |
| 2 | Share-based Payment | 2 | Not Applicable |
| 3 | Business Combinations | 3 | Not Applicable |
| 4 | Insurance Contracts | 4 | Not Applicable |
| 5 | Non-current Assets Held for Sale and Discontinued Operations | 5 | Not Applicable |
| 6 | Exploration for and Evaluation of Mineral Resources | 6 | Not Applicable |
| 7 | Financial Instruments: Disclosures | 7 | Complied |
| 8 | Operating Segments | 8 | Not Applicable |
| 9 | Financial Instruments | 9 | Complied |
| 10 | Consolidated Financial Statements | 10 | Not Applicable |
| 11 | Joint Arrangements | 11 | Not Applicable |
| 12 | Disclosure of Interests in Other Entities | 12 | Not Applicable |
| 13 | Fair Value Measurement | 13 | Complied |
| 14 | Regulatory Deferral Accounts | 14 | Not Applicable |
| 15 | Revenue from Contracts with Customers | 15 | Complied |
| 16 | Leases | 16 | Complied |

3.2 Other regulatory compliances

The Company is also required to comply with the following major laws and regulation in addition to the Companies Act 1994:

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 Act 1991,

The Value Added Tax Rules 1991.

The Customs Act 1969.

3.3 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 IAS 1: "Presentation of Financial Statements". A complete set of financial statements comprises:

- i) Statement of Financial Position as at 30 June 2020,
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended on 30 June 2020,
- iii) Statement of Changes in Equity for the year ended on 30 June 2020,
- iv) Statement of Cash Flows for the year ended on 30 June 2020,
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements as at & for the year ended on 30 June 2020.

3.4 Basis of Measurement of Elements of Financial Statements

The financial statements have been prepared on the Historical Cost basis, and therefore, do not take into consideration the effect of inflation. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

3.5 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk) which is both functional and presentation currency.

3.6 Risk and uncertainty for use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards and International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the year in which the estimate is revised and in any future years affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3.7 Going concern

As per IAS-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 period/year. The Company made net loss during the year because of the unprecedented impact of COVID-19 as almost 4 months (from March to June) it's operation was closed in accordance with government instruction to prevent the virus. The company has adequate resources to continue in operation for the foreseeable future as it resumes its operation with huge market demand since the lockdown has come to an end and shall have enough operating cash inflow to pay off its current liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

3.8 Accrual basis

The financial statements have been prepared, except cash flow information, using the accrual basis of accounting.

3.9 Reporting period

The financial statements of the company covers twelve months from 01 July 2019 to 30 June 2020.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

- (a) Foreign currency monetary items are translated using the closing rate.
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
- (c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the year or in previous financial statements is recognized in profit or loss in the period in which they arise.

4.2 Property, plant and equipment

Initial recognition and measurement

Property, plant and equipment are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties, nonrefundable taxes and un-allocated expenditures etc.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment's is recognized in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the profit or loss account as `Repair & Maintenance 'when it is incurred.

Depreciation on fixed assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant & Equipment. Depreciation is charged when the related assets are available for use as per management's intention. No depreciation is charged after the date of disposal of an asset. Depreciation is charged on all fixed assets after assessing useful life on reducing balance method as follows:

| Particular of Assets | Rate of Depreciation |
|----------------------------------|----------------------|
| Land & Land Development | 0.00% |
| Building & Other Civil Works | 1.25% |
| Furniture & Fixture | 10.00% |
| Computer Accessories & Equipment | 10.00% |
| Machineries | 5.00% |
| Equipments | 5.00% |
| Vehicle | 10.00% |

The gain or losses on disposal or retirement of assets are included in profit or loss & Other comprehensive Income when the item is disposed off/derecognized.

4.3 Capital works in-progress

Property, plant and equipment under construction or not available for use are accounted for as capital works in progress and are measured at cost until completion of construction or installation or available for use. In conformity with IAS 16: property, plant & equipment no depreciation is charged on Capital work in progress as it is not available for use.

4.4 Inventories

Inventories (Stock and Stores) are measured at the lower of cost and net realizable value. The Cost of Inventory is assigned by using average cost formula. The costs of inventories consist of purchase, costs of conversion, import duties and other non-refundable taxes and other costs if any incurred in bringing the inventories to their present location and condition.

4.5 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand and with banks on current and deposit accounts and short-term investments which are held and available for use by the company without any restriction.

4.6 Trade and other receivable

Trade and other receivable are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectible of any amount so recognized. No impairment of trade and other receivables occurred during the year under review.

4.7 Earnings per share (EPS)

Basic earnings:

Earnings per share (EPS) is calculated in accordance with International Accounting Standard IAS-33 "Earnings per Share" by dividing the profit or loss attributable to ordinary equity holder of the entity by the number of ordinary shares outstanding during the year. For the purpose of basic earnings per share, the amount attributable to the ordinary equity holders of the entity in respect of profit or loss from continuing operations attributable to the entity is adjusted for the after tax amount of preference dividend.

Diluted earnings per share:

For the purpose of calculating diluted earnings per shares, an entity adjust profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstandingfor the effects of all dilutive, potential ordinary shares. During the year the company has issued SPBRSL 20% Convertible Secured Bond and therefore there are dilutive potential ordinary shares for which diluted earning per share has been calculated and disclosed in note (30)

Retrospective adjustment in earnings per Share:

The basic and diluted earnings per share for all periods presented is adjusted retrospectively for any increase in the number of ordinary or potential ordinary shares outstanding as a result of capitalization, bonus issues or share split. The per share calculations for those and any prior year financial statements presented is based on the new number of shares.

4.8 Revenue

Revenue (Room rent, Sales proceeds of beverage, income from laundry, water park and shop rental & other revenues) is recognized at fair value of the consideration received or receivable in the year during which the services are provided. Revenue is recognized the parties to the contract have approved the contract, the entity can identify each party's rights and payment terms for the goods or services to be transferred, the contract has commercial substance, the entitled in exchange for services that will be transferred to the customer, net of value added tax, supplementary duty and service charge collectible from clients as well as rebate and discount allowed to customers in compliance with the requirements of IFRS 15: "Revenue from contracts with customers".

4.9 Impairment of assets

All assets except inventory, assets arising from construction contracts and financial assets is assessed at the end of each reporting period to determine whether there is any indication that an assets may be impaired. If any such indication exists the company assesses the recoverable amount. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets is reduced to its recoverable amount. The reduction is an impairment loss as per IAS 36: Impairment of

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.

No such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

4.10 Borrowing cost

Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are recognized as a part of the qualifying assets. Other borrowing costs are recognized as an expense in the year in which it incurs in accordance with IAS-23 "Borrowing Cost".

The company capitalizes borrowing cost on the ratio (51%) of total rooms and rooms which are not available for use as per managements intention.

4.11 Authorization date for issuing financial statements

The financial statements were authorized by the Board of Directors on 27 October 2020 for issue after completion of review.

4.12 Provisions, accrued expenses and other payables

Provisions and accrued expenses are recognized in the financial statements in line with the International Accounting Standard (IAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- · the company has a legal or constructive obligation as a result of past event.
- it is probable that an outflow of economic benefit will be required to settle the obligation.
- · a reliable estimate can be made of the amount of the obligation.

Other Payables are not interest bearing and are stated at their nominal value.

4.13 Financial Instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, fixed deposit with bank, borrowings and other payables and are shown at transaction cost.

An entity recognizes a financial assets or liabilities in its statement of financial position when, and only when, the entity becomes a party to the contractual provision of the instrument.

4.14 Segment Reporting

No segment reporting is applicable for the Company as required by IFRS 8:"Segment reporting".

4.15 Statement of Cash Flow

The statements of cash flows has been prepared in accordance with requirements of IAS 7: Statement of cash flows. The cash generated from operating activities has been prepared using the "Direct Method" in accordance with IAS 7.

4.16 Related Party Disclosures

The Company carried out transaction with related parties in the normal course of business and on arm's length basis during the reporting period. The information as required by IAS 24: "Related party Disclosure" has been disclosed in a separate notes to the financial statements.

4.17 Taxation:

Current Tax Liability:

Current Tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period. The Provision for Current Tax on the profit for the year ended 30 June 2020 has been made in the Financial Statements.

Deferred Tax:

Deferred Tax Liability:

Deferred Tax Liabilities is the amount of income taxes payable in future period in respect of taxable temporary difference. A deferred tax liability is recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) The initial recognition of goodwill; or
- (b) The initial recognition of an asset or liability in a transaction which;
- (i) Is not a business combination; and
- (ii) At the time of the transaction, affects neither accounting profit nor taxable profit (loss)

Deferred Tax Assets:

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

(a) is not a business combination; and

(b) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liability/assets is measured at the tax rates that are expected to apply to the period when the assets are realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Unused tax losses and unused tax credits

A deferred tax assets shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

4.18 Contingent Assets and Liabilities

A contingent asset is disclosed when it is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent liability is disclosed when it is a possible obligation that arises from the past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent assets is disclosed as per IAS 37, where an inflow of or economic benefits is probable. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

The company has no contingent assets or liabilities which require disclosure under IAS 37. Contingent assets and contingent liabilities are not recognized in the financial statements.

4.19 Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that are indicative of conditions that arose after the reporting period (non-adjusting events after the reporting period)

4.20 Employee Benefits

The Company has accounted for employee benefits in compliance with the provision of IAS 19: Employee

During the year the Company has not recognized Workers' Profit Participation and Welfare Funds as there was no net profit before tax after charging such expenses as per Bangladesh Labour Act 2006 as amended in 2013.

The Nomination and Remuneration Committee (NRC), a sub-committee of Board formed to ensure good governance in the company as per Corporate Governance Code in notification No. BSEC/CMRRCD/2006 of Bangladesh Securities and Exchange Commission reviews all post employee benefits to comply with IAS 19 Employee Benefits and the policies are under process of final review of Board.

4.21 Comparative Information

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements. Previous year has been re-arranged/re-stated whenever considered necessary to ensure comparability with the current year presentation as per IAS-1: Presentation of Financial Statements and IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors in notes wherever applicable.

4.22 Implementation, Relevant Assumptions and Disclosures of IFRS 16

IFRS-16: "Leases" has come into force on 01 January 2019 as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). The Company has applied IFRS-16 as it has entered into contracts for Motor Vehicles & Office Premises during the year that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-Use Assets

A Company recognize right of use assets at the inception date which is measured as cost, less any accumulated depreciation. Right of use assets are depreciated on a straight line basis over the lease term. The right of use assets are presented under Non-current Asset in Statement of Financial Position.

Lease Liability

At the commence date of the lease, the company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term using the incremental borrowing rate. Lease liabilities is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payment.

5. Risk Exposure

5.1 Interest Rate Risk

Interest rate risk is that which the company faces due to unfavorable movements of 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 Sea Pearl Beach Resort & Spa Limited has not borrowed funds at flexible interest rate, hence, not involved in the interest rate risk. The company has been repaying borrowed funds on a continuous

5.2 Exchange Rate Risk

Exchange rate risk arises 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. When exchange rate is increased against local currency opportunity is created for generating more profit.

Management Perception:

Sea Pearl Beach Resort & Spa Limited management changes the price of their services to cope with the change in exchange rate to mitigate the affect of unfavorable volatility in exchange rate on the company's earnings.

5.3 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.

5.4 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 "Royal Tulip Cox's Bazar" has a very strong image in the local and international market. GT Investments BV also have 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 into the market and upgrading the quality of their service to minimize the risk.

5.5 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.

| Amoun | t in Taka |
|-----------|-----------|
| As at | As at |
| 30-Jun-20 | 30-Jun-19 |

Property Plant and Equipment

A. Cost:

Opening Balance Addition during the year Closing Balance

2,981,284,498 2,950,532,112 352,135,350 30,752,386 3,333,419,848 2,981,284,498

B. Less: Accumulated Depreciation

Opening Balance Addition during the year Closing Balance

| 188,548,830 64,158,956 | 124,816,963 63,731,867 |
|---------------------------|---------------------------|
| 64,158,956 | 63,731,867 |
| 252,707,786 | 188,548,830 |
| | |
| 3,080,712,062 | 2,792,735,668 |

Written down value (A-B)

A detailed schedule on property, plant & equipment has been given in Annexure-A.

Right of Use Asset

A. Cost:

Opening Balance Addition during the year Closing Balance

| - | - |
|------------|---|
| 18,822,766 | - |
| 18,822,766 | |

B. Less: Accumulated Depreciation

Opening Balance Addition during the year Closing Balance

| - | - |
|------------|---|
| 3,582,275 | - |
| 3,582,275 | - |
| | |
| 15 240 491 | |

1,993,090,240

2,163,763,363

Written down value (A-B)

A detailed schedule on Right of Use Asset in accordance with IFRS-16 Leases has been given in Annexure-A.

Capital Work in Progress

Break-up of above as under:

| SI. No. | | Opening Balance as on 01-07-2019 | Addition during the year | Total | Transfer to Property Plant & Equipment's | Closing Balance as on 30-06-2020 |
|------------|------------------------------|--|--------------------------------|---------------|--|-------------------------------------|
| 01. | Building & Other Civil Works | 1,683,620,310 | 447,601,593 | 2,131,221,903 | 249,773,746 | 1,881,448,157 |
| 02. | Furniture & Fixture | 123,944,298 | 26,507,000 | 150,451,298 | 193,292 | 150,258,006 |
| 03. | Machineries | 104,887,587 | - | 104,887,587 | 53,468,432 | 51,419,155 |
| 04. | Equipments | 80,638,045 | - | 80,638,045 | - | 80,638,045 |
| | Total | 1.993.090.240 | 474.108.593 | 2.467.198.833 | 303.435.470 | 2.163.763.363 |

The above balance represents cost incurred up to the Statement of Financial Position date for property, plant and equipments (PPE) which includes tk. 26,507,000 for Furniture & Fixture from IPO fund, these are under progress and not available for use. During the year an amount of Tk. 303,435,470 has been transferred to Property Plant, & Equipments as the construction/installation of PPE has been completed and also available for use.

Stock of Construction Materials

This is made up as under:

Bricks Rod Sand Stone chips Sanitary material Other materials

| 3,958,029 | 20,977,580 |
|-----------|------------|
| 1,204,586 | 2,887,644 |
| 1,845,982 | 4,474,213 |
| 45,861 | 2,224,080 |
| 744,460 | 2,275,229 |
| 71,248 | 6,997,387 |
| 45,892 | 2,119,027 |

The above balance represents cost of sundry construction materials in hand as on Statement of Financial Position date.

10 Inventories

This is made up as under:

Food Beverage General store Total

| 6,938,308 | 5,926,828 |
|------------|------------|
| 7,303,280 | 6,498,583 |
| 21,047,980 | 11,313,525 |
| 35,289,568 | 23,738,936 |

Quantity wise breakup of Food, Beverage and General Stores could not be given as it was difficult to quantify each item separately and distinct category due to variety of items.

Investment

This is made up as under: Golden Harvest Agro Industries Ltd. Mozaffar Hossain Spinning Mills Ltd. Fu-wang Foods Ltd ICB AMCL Third NRB Mutul Fund Queen South Textile Mills Ltd.

| 1 | AS at 30 June 2 | 020 | 30-Jun-19 |
|------------|-----------------|-------------|------------|
| Book value | Fair value | Gain/(Loss) | Fair Value |
| - | - | - | 31,239,900 |
| 3,770,049 | 3,174,717 | (595,332) | 1,129,208 |
| 5,393,472 | 4,769,038 | (624,434) | - |
| 530,222 | 482,681 | (47,541) | - |
| 11,176,108 | 9,740,328 | (1,435,780) | - |
| 20,869,851 | 18,166,764 | (2,703,087) | 32,369,108 |

12 Trade and Other Receivables

This is made up as under:

Trade receivable - net

Receivable from Dhaka Stock Exchange Limited

Total

Total

| 53,033,626 | 141,325,684 |
|------------|-------------|
| - | 75,000,000 |
| 53,033,626 | 66,325,684 |

This is considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

| SI. | Particulars | Amount in (Tk.) | Amount in (Tk.) |
|-----|--|-----------------|-----------------|
| No. | | ` | , , |
| I | Debts considered good and in respect of which the company is fully secured. | - | 75,000,000 |
| 1 | Debts considered good for which the company holds no security other than the debtor personal security. | 53,033,626 | 66,325,684 |
| Ш | Debts considered doubtful or bad. | - | - |
| 1 | Debts due by any director or other officer of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member to be separately stated. | | - |
| V | Debts due by companies under the same management to be disclosed with the names of the companies. | - | - |
| | The maximum amount due by directors or other officer of the company at the time during the year to be shown by way of a note. | - | - |
| | Total | 53,033,626 | 141,325,684 |

The aging of above trade receivable is as follows:

| Less than three months | 43,669,351 | 112,380,951 |
|---|------------|-------------|
| Above three months but less than six months | 2,578,954 | 23,512,578 |
| Above six months | 6,785,321 | 5,432,155 |
| Total | 53,033,626 | 141,325,684 |

Advances, Deposits and Prepayments

| Prepayments 2.654,326 4 | 4.593.760 |
|-------------------------------|-----------|
| Prepayments 2.654.326 1 4 | 4 593 760 |
| Prepayments 2.654.326 4 | 4 593 760 |

13.1 Advances

This is made up as under: Advance Income Tax (Note-13.1.1) Advance to Parties/ Suppliers* Advance to Employees Advance against land Advance to Bandarban Project Others

| 19,206,349 | 14,243,651 |
|-------------|------------|
| 83,869,091 | 46,636,883 |
| 158,505 | 171,059 |
| 5,250,000 | 5,250,000 |
| 16,692,785 | 16,079,660 |
| 745,277 | 1,904,777 |
| 125,922,007 | 84,286,030 |

* Advance to Parties/ Suppliers includes an amount of Tk. 69,637,409 paid to Shristi Shaily from IPO Fund for interior, finishing, furniture & fixture of rooms.

13.1.1 Advance Income Tax

This is made up as under:

Openi

Add: I

Less: Total

| ning Income tax during the year | 14,243,651 4,962,698 | 8,206,823 6,036,828 |
|--|-------------------------|------------------------|
| : Income tax paid/adjustment during the year | - | - |
| l | 19,206,349 | 14,243,651 |
| | | |

| | | Amount | _ |
|------|---|-----------------------|---|
| | | As at | As at |
| 13.2 | Security Deposits: | 30-Jun-20 | 30-Jun-19 |
| 13.2 | This consists of as follows: | | |
| | | | |
| | Security Deposit-REB | 9,580,000 | 9,580,000 |
| | T&T | 3,500 | 3,500 |
| | Ansar Guard | 455,400 | 455,400 |
| | Gawsia Traders | 10,000 | 10,000 |
| | Cox's Bazar Pally Bidyut Samity | 15,000 | 15,000 |
| | Central Depository Bangladesh Limited | 500,000 | 500,000 |
| | Total | 10,563,900 | 10,563,900 |
| 14 | Cash & Cash Equivalents | | |
| | This consists of as follows: | | |
| | This solicite of actionolis. | | |
| | Cash in Hand | 458,350 | 343,069 |
| | Cash in transits | 15,824 | 478,370 |
| | Cash at Bank | 96,244,952 | 109,003,744 |
| | Total | 96,719,126 | 109,825,183 |
| | | | |
| | COPPODATE OFFICE | | |
| A. | CORPORATE OFFICE | 05.050 | 400 500 |
| | Cash in hand | 95,350 | 138,530 |
| | Cash at Bank | | |
| | This is made up as under: | | |
| | Bank Name & Account Number: | | |
| | Prime Bank ltd A/C CD - 17411060002770 | 13,788,374 | 39,050 |
| | Prime Bank Itd A/C CD - 13211060017092 | 191,086 | 409,223 |
| | Prime Bank Itd A/C CD - 8730 | 5,077 | 9,256 |
| | Prime Bank Itd A/C CD - 33826 | 2,019,274 | 689,998 |
| | Prime Bank Itd A/C SND - 9630 | 239,524 | 236,477 |
| | Prime Bank Itd A/C SND - 9537 | 65,550 | 65,170 |
| | Prime Bank Itd-IPO A/C-BDT-30420 Prime Bank Itd-IPO A/C-USD-30422 | 12,505,626 | 60,402,838 15,031,409 |
| | Prime Bank Itd-IPO A/C-EURO-30423 | _ | 30,777 |
| | Eastern Bank Itd A/C CD -1161360084794 | 68,004 | 67,438 |
| | Mercantile A/C CD - 96205 | 580,198 | 581,618 |
| | UCB A/C CD- 0828 | 42,328 | 19,546 |
| | Islami Bank Itd A/C CD - 306 | 183,916 | 184,756 |
| | Modhumoti Bank ltd. A/c RCD-225 | 1,520 | 6,410 |
| | Alpha Capital Management Limited | 18,758,977 | 11,524,700 |
| | The Premier Bank Itd A/c CD-79023 | 85,446 | 119,922 |
| | The Premier Bank ltd A/c SND-2959 | 127,224 | 81,643 |
| | The Premier Bank Itd A/c SND-2988 Total | 6,699 48,668,823 | 89,500,231 |
| | Total | 40,000,023 | 09,500,231 |
| B. | The Royal Tulip Cox's bazar: | | |
| | | | |
| | Cash in hand | 363,000 | 204,539 |
| | | | , |
| | Cash in transits | | |
| | This is made up as under: | | |
| | City Bank Ltd. | | 00.250 |
| | DBBI | 10 004 | 90,259 |
| | | 10,824 | 2,273 |
| | Brac Bank Ltd. | 5,000 | 385,838 |
| | Total | 15,824 | 478,370 |
| | Cash at Bank | | |
| | This is made up as under: | | |
| | Bank Name & Account Number | | |
| | Prime Bank Ltd, A/C-12017 | 19,866,898 | 5,614,393 |
| | Prime Bank Ltd, A/C-12017 Prime Bank Ltd, A/C-22433 | 1,594,362 | 302,039 |
| | National Credit & Commerce Bank Ltd-A/C-26465 | 2,852,704 | 929,366 |
| | Dutch Bangla Bank Ltd-A/C-32500 | 395,552 | 85,412 |
| | City Bank Ltd-A/C-4001 | 5,164,987 | 5,169,213 |
| | City Bank Ltd-Gulshan-A/C-3001 | 2,465,538 | 5,046,086 |
| | Bank Asia Ltd - A/C-0018 | 97,641 | 99,260 |
| | Agrani Bank Ltd -A/C-4459 | 1,194,621 | 571,234 |
| | The Premier Bank Itd A/c SND-164 | 13,943,826 | 1,686,510 |
| | Total | 47,576,129 | 19,503,513 |
| | | 47,954,953 | 20,186,422 |
| | Total: (A+B) | 96,719,126 | 109,825,183 |
| | | 00,710,120 | 100,020,100 |

Amount in Taka

| Amount in Taka | |
|----------------|-----------|
| As at | As at |
| 30-Jun-20 | 30-Jun-19 |

15 **Share Capital**

| A. Authorized Si | hare Ca | pital |
|------------------|---------|-------|
|------------------|---------|-------|

200,000,000 Ordinary Shares of Tk. 10 each 2,000,000,000 2,000,000,000 Total 2,000,000,000 2,000,000,000

Issued, Subscribed and paid- up capital

Ordinary shares of Tk. 10 each fully paid 1,207,500,000 1,150,000,000 Total 1,207,500,000 1,150,000,000

The company got consent from BSEC to raise its paid up capital by Tk. 150,000,000 through IPO by issuing 15,000,000 shares of Tk. 10/= each vide BSEC letter # BSEC/CI/IPO-281/2018/231 dated 25 March 2019. The subscription of such IPO was closed on 06 May 2019. The Company has allotted 15,000,000 shares on 23 May 2019. During the year 5,750,000 no. ordinary shares have been allotted as stock dividend which was approved by the shareholder in its10th AGM held on 26th December, 2019.

Shareholding position

The shareholding of each class of equity security setting out the number of holders and percentage are as follows:

| Category of Shareholder | % of shares | | Number of shares | |
|--------------------------------------|-------------|------------|------------------|-------------|
| Category of Snareholder | 30-06-2020 | 30-06-2019 | 30-06-2020 | 30-06-2019 |
| Sponsors and Directors | 46.83% | 46.83% | 56,550,900 | 53,858,000 |
| Companies and Financial Institutions | 29.49% | 27.77% | 35,609,175 | 31,935,500 |
| Foreign Individual and Companies | 0.00% | 0.03% | - | 34,500 |
| General Public | 23.68% | 25.37% | 28,589,925 | 29,172,000 |
| Total | 100% | 100% | 120,750,000 | 115,000,000 |

D. Detailed brake-up of share issued:

Disclosure regarding the date of issue of shares is detailed below:

| Particulars | Basis of Consideration | | Total Number of | Amount (in TK.) | |
|--|------------------------|-------------|-----------------|-----------------|---------------|
| | In Cash (Nos.) | Other Than | Bonus Share | Share Issued | |
| | | Cash (Nos.) | (Nos.) | | |
| Subscription to the Memorandum & | 250,000 | - | - | 250,000 | 2,500,000 |
| Articles of Association at the time of | | | | | |
| incorporation | | | | | |
| Issue as on April 27, 2014 | 6,000,000 | - | - | 6,000,000 | 60,000,000 |
| Issue as on June 29, 2017 | 2,250,000 | - | - | 2,250,000 | 22,500,000 |
| Issue as on August 23, 2017 | 48,699,949 | - | - | 48,699,949 | 486,999,490 |
| Issue as on March 22, 2018 | 42,800,051 | - | - | 42,800,051 | 428,000,510 |
| Issue as on May 23, 2019 | 15,000,000 | - | - | 15,000,000 | 150,000,000 |
| Issue as on December 26, 2019 | - | - | 5,750,000 | 5,750,000 | 57,500,000 |
| Total | 115,000,000 | - | 5,750,000 | 120,750,000 | 1,207,500,000 |

16 Retained Earnings

This is made up as under:

Opening Balance

Add: Net profit during the year

Less: Stock Dividend Less: IPO Expenses

Total

Long term borrowings

This is made up as under:

Premier Leasing & Finance Limited

Non-current portion of long term borrowings Current portion of long term borrowings

Sub-Total (A)

SPBRSL 20% Convertible Secured Bond

Non-current portion of SPBRSL 20% Convertible Secured Bond Current portion of SPBRSL 20% Convertible Secured Bond Sub-Total (B)

Total (A+B)

| 4,195,915,376 | 3,855,068,220 |
|---------------|---------------|
| | |
| | |
| - | 8,059,350 |
| 11,332,438 | 13,888,862 |
| 11,332,438 | 21,948,212 |
| | |
| 3,524,265,808 | 3,393,506,700 |
| 660,317,130 | 439,613,308 |
| 4,184,582,938 | 3,833,120,008 |
| | |

75,567,748

(11,045,356)

(57,500,000)

7,022,392

4,195,915,376

47,657,095

44,423,353

(16,512,700)

75,567,748

3,855,068,220

The company has been accorded consent for raising of capital from Bangladesh Securities and Exchange Commission vide letter # BSEC/CI/DS-70/2017/444 dated 29 August 2017 and accordingly raised fund by issuing of 325 units of SPBRSL 20% Convertible Secured Bond @ Tk. 10,000,000 each totaling Taka 3,250,000,000 on 31 October 2017. The main features of the said bond are as follows:

Main features of SPBRSL 20% Convertible Secured Bond is as follows:

| Particulars | Details |
|--------------|--|
| Nature: | SPBRSL 20% Convertible Secured Bond |
| Face Value: | Tk. 10,000,000 per unit |
| Purpose: | To refinance the existing debts, as well as to finance completion of the ROYAL TULIP SEA PEARL BEACH RESORT & SPA, COX'S BAZAR of Sea Pearl Beach Resort & Spa Ltd. |
| Tenure: | 8 Years from the date of issue, including 2 years moratorium period for both principal and interest payment (From 31.10.2017). |
| Repayment: | The bond will be redeemed semi-annually, at the end of 30th, 36th, 42nd, 48th, 54th, 60th, 66th, 72nd, 78th, 84th, 90th and 96th month from the date of Issue (From 31.10.2017). |
| Coupon Rate: | 10.00% p.a. |
| Trustee: | Green Delta Insurance Company Ltd. |
| Investors: | Investment Corporation of Bangladesh |
| Security: | First right registered mortgage of Hotel properties, i.e. floor space, proportionate land and machinery & equipment of ROYAL TULIP SEA PEARL BEACH RESORT & SPA, COX'S BAZAR |

Main features of finance from Premier Leasing & Finance Limited is as under:

| Particulars | Details |
|-------------------|---|
| Nature: | Term finance |
| Purpose: | For smooth running of business |
| Tenure: | Five years |
| Repayment: | From Hotel Revenue |
| Rate of Interest: | 15.5% p.a. |
| , | 40 decimals land in the name of Aminul Haque Shamim & 43 decimals land in the name of Shamim Enterprise (pvt.), Personal guarantee All directors of SPBRSL and Corporate guarantee of Shamim Enterprise pvt. Ltd. |

| Amount in Taka | |
|----------------|-----------|
| As at As at | |
| 30-Jun-20 | 30-Jun-19 |

Lease Liability

This is made up as under:

(Note: 18.1) Lease Loan/Payable Lease Liability-Office Space (Note: 18.2) Total

| 5,355,124 | - |
|------------------------|---|
| 5,355,124 4,993,408 | - |
| 10.348.532 | - |

Current/Non-current Portion Classification:

Non-current portion of Lease Liability Current portion of Lease Liability Total

| 5,041,332 | - |
|------------|---|
| 5,307,200 | |
| 10 348 532 | |

18.1 Lease Loan/Payable

This is made up as under:

IPDC Finance Limited Rangs Motors Limited Total

| 3,860,137 1,494,987 | - |
|------------------------|---|
| 1,494,987 | - |
| 5,355,124 | - |

Main features of finance from IPDC Finance Limited is as under:

| Particulars | Details |
|-------------------|---|
| Nature: | Lease Finance |
| Purpose: | For procure vehicle for business purpose |
| Tenure: | Four years |
| Repayment: | From Hotel Revenue |
| Rate of Interest: | 15.00% p.a. |
| Security: | Personal guarantee of Directors & ownership of the leased vehicles. |

18.2 Lease Liability-Office Space

Office Space-Corporate Office Office Space-Blue Bay resort Office Space-Chattogram Sales Office Total

| 3,518,096 1,161,732 313,580 | - |
|-----------------------------------|---|
| 1,161,732 | - |
| 313,580 | - |
| 4,993,408 | |

Deferred Tax Liabilities

This has been arrived as under:

| Amount in Taka | | |
|----------------|-----------|--|
| As at | As at | |
| 30-Jun-20 | 30-Jun-19 | |

30-Jun-20

| Particulars | Carrying Amount | Tax Base | Taxable / (Deductible) Temporary Difference | Tax Rate | Deferred Tax (Assets)/Liabilities |
|--|--------------------|---------------|--|------------|--------------------------------------|
| Property, Plant and Equipment | 2,909,738,705 | 2,016,594,626 | 893,144,079 | 25.00% | 223,286,020 |
| WPPF | • | i | 1 | 25.00% | - |
| Fair Value (Gain)/Loss on investment in share | 18,166,764 | 20,869,851 | (2,703,087) | 10.00% | (270,309) |
| Unused tax loss (Note-29.1) | - | 756,409,255 | (756,409,255) | 25.00% | (189,102,314) |
| Deferred Tax (Assets)/Liability at the end of the year | | | | 33,913,397 | |

30-Jun-19

| Particulars | Carrying Amount | Tax Base | Taxable / (Deductible) Temporary Difference | Tax Rate | Deferred Tax (Asset)/Liability |
|--|--------------------|---------------|--|----------|-----------------------------------|
| Property, Plant and Equipment | 2,655,742,979 | 1,956,549,619 | 699,193,360 | 25.00% | 174,798,340 |
| WPPF | 2,679,674 | - | (2,679,674) | 25.00% | (669,919) |
| Fair Value (Gain)/Loss on investment in share | 32,369,108 | 34,278,986 | (1,909,878) | 10.00% | (190,988) |
| Unused tax loss (Note-26.1) | - | 558,010,355 | (558,010,355) | 25.00% | (139,502,589) |
| Deferred Tax (Assets)/Liability at the end of the year | | | | | 34,434,844 |

Deferred Tax Expenses/(Benefit) during the year:

Closing Deferred Tax (Assets)/Liabilities Opening Deferred Tax (Assets)/Liabilities Deferred Tax Expenses/(Benefit)

| 34,434,844 | 28,579,971 |
|--------------------------|------------------|
| (521,447) | 5,854,873 |
| 33,913,397 34,434,844 | 34,434,844 |

Short term borrowings

This consists of as follows:

Premier Bank Ltd. Banani Branch, SOD Account

| 39,767,221 | 13,722,116 |
|------------|------------|
| 39,767,221 | 13,722,116 |

Main features of the above Premier Bank Ltd. loan is as follows:

| Particulars | Details |
|-------------------|--|
| Nature: | Short term loan |
| Purpose: | Working capital Investment. |
| Tenure: | One year |
| Repayment: | From Hotel revenue |
| Rate of Interest: | 12.00% p.a. |
| Security: | Corporate Guarantee & 28,98 sft. flat at Gulshan, Dhaka. |

Accounts and other Payables

This consists of as follows:

Payable for goods and services Payable to related party-Shamim Enterprise (Pvt.) Ltd. Payable for Property, Plant & Equipment's

| 57,587,042 | 31,001,114 |
|------------|------------|
| 400,631 | 25,593,889 |
| 50,000,000 | |
| 7,186,411 | 5,407,225 |

22 Accruals and Provisions

Total

This consists of as follows:

TDS, VAT, Duty & Service charge Payable Provision for income tax (Note-22.1) Workers Profit Participation Fund (Note-22.2) Franchise fee (Note-22.3) Accrued Expenses and Liabilities Audit Fees **IPO** Expenses Others Total

| 3,291,659 | 9,902,074 |
|------------|------------|
| 15,231,875 | 12,401,076 |
| - | 2,679,674 |
| 16,860,930 | 12,916,392 |
| 15,760,263 | 8,066,282 |
| 422,250 | 345,000 |
| - | 6,579,175 |
| 2,402,325 | 822,374 |
| 53,969,302 | 53,712,047 |

| 22.1 Provision for income tax | | | Amount in Taka | | |
|--|---|---------------------------------------|-----------------|-----------------|-----------|
| Provision for income tax This consists of a follows: | | | As at | | |
| This consists of as follows: | | | 30-Jun-20 | 30-Jun-19 | |
| Depring Balance | 22.1 | | | | |
| Add: Priory years short provision Less: Paid / Adjusted during the year Total 2.2 Workers Profit Participation Fund This consists of as follows: Opening Belance Add: priory years short provision Add: provided during the year Total 2.679,674 A 186,702 2.879,674 A 186,702 C 2.799,674 | | | 12 401 076 | 9 085 820 | |
| Less: Paid / Adjusted during the year 15,231,875 12,401,076 | | | | | |
| Less: Paid / Adjusted during the year 15,231,875 12,401,076 | | | - | - | |
| Total | | Less: Paid / Adjusted during the year | 15,231,875 - | 12,401,076 - | |
| This consists of as follows: | | | 15,231,875 | 12,401,076 | |
| This consists of as follows: | | | | | |
| Copening Balance | 22.2 | • | | | |
| Add: provided during the year | | | 2,679,674 | 4.186.702 | |
| Less: Paid during the year | | | - | | |
| Total | | | 2,679,674 | | |
| 22.3 Franchise fee This consists of as follows: Opening Balance Add: provided during the year 23.944,538 24.963,197 16,860,930 12,916,392 15,860,930 12,916,392 16,860,930 12,916,392 17 ortal 16,860,930 12,916,392 17 ortal 16,860,930 12,916,392 18 Net Asset Value Per Share (NAVPS) This has been arrived as under: Total Assets Total Liabilities 4,391,500,870 Not Asset Value 1,214,822,392 1,225,667,748 Number of Share Number of Share 1,214,822,392 1,225,67,748 1,245,200,000 Not Asset Value Per Share (NAVPS) 1,246,822,392 1,225,67,748 1,246,825,476 1,246,825,476 1,246,826 1,246,826,476 1,247,846 | | Less: Paid during the year | (2,679,674) | | |
| This consists of as follows: Opening Balance Add: provided during the year Less: Paid during the year Total 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 23 Net Asset Value Per Share (NAVPS) This has been arrived as under: Total Assets Total Liabilities 4,391,500,870 Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) 12,14,522,392 1,225,587,748 12,14,522,392 1,225,587,748 10,10,08 Net Asset Value Per Share (NAVPS) 10,08 Amount in Taka 01 July 2019 to 01 July 2018 to 30 June 2020 30 June 2019 24 Operating Revenues This consists of as follows: Room Revenue Pood & Beverage Revenue 12,561,022 22,6402,199 283,611,245 189,486,489 199,711,043 Minor Operating department 12,561,022 22,666,801 1,246,487 22,686,801 1,246,487 28,360,587 Total 25 Costs of sales This consists of as follows: Salary & wages Operating and quest very less than 1,247,407,40 25 Costs of sales This consists of as follows: Salary & wages Operating and quest supplies Question of the revenue operating and uniforms Salary & wages Operating and quest supplies Question of the revenue operating and uniforms Kitchen fuel & Gas Complementary quest services 1,783,752 1,447,2614 Lin-house TV, video, movies, music Travel lagent's commission Travel lagent's commission Travel agent's commission 1,950,852 2,054,068 Pest control 98,000 845,000 Pestage Cleaning Supplies-Water Park Others | | Total | | 2,679,674 | |
| This consists of as follows: Opening Balance Add: provided during the year Less: Paid during the year Total 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 23 Net Asset Value Per Share (NAVPS) This has been arrived as under: Total Assets Total Liabilities 4,391,500,870 Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) 12,14,522,392 1,225,587,748 12,14,522,392 1,225,587,748 10,10,08 Net Asset Value Per Share (NAVPS) 10,08 Amount in Taka 01 July 2019 to 01 July 2018 to 30 June 2020 30 June 2019 24 Operating Revenues This consists of as follows: Room Revenue Pood & Beverage Revenue 12,561,022 22,6402,199 283,611,245 189,486,489 199,711,043 Minor Operating department 12,561,022 22,666,801 1,246,487 22,686,801 1,246,487 28,360,587 Total 25 Costs of sales This consists of as follows: Salary & wages Operating and quest very less than 1,247,407,40 25 Costs of sales This consists of as follows: Salary & wages Operating and quest supplies Question of the revenue operating and uniforms Salary & wages Operating and quest supplies Question of the revenue operating and uniforms Kitchen fuel & Gas Complementary quest services 1,783,752 1,447,2614 Lin-house TV, video, movies, music Travel lagent's commission Travel lagent's commission Travel agent's commission 1,950,852 2,054,068 Pest control 98,000 845,000 Pestage Cleaning Supplies-Water Park Others | | | | | |
| This consists of as follows: Opening Balance Add: provided during the year Less: Paid during the year Total 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 16,860,930 12,916,392 23 Net Asset Value Per Share (NAVPS) This has been arrived as under: Total Assets Total Liabilities 4,391,500,870 Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) 12,14,522,392 1,225,587,748 12,14,522,392 1,225,587,748 10,10,08 Net Asset Value Per Share (NAVPS) 10,08 Amount in Taka 01 July 2019 to 01 July 2018 to 30 June 2020 30 June 2019 24 Operating Revenues This consists of as follows: Room Revenue Pood & Beverage Revenue 12,561,022 22,6402,199 283,611,245 189,486,489 199,711,043 Minor Operating department 12,561,022 22,666,801 1,246,487 22,686,801 1,246,487 28,360,587 Total 25 Costs of sales This consists of as follows: Salary & wages Operating and quest very less than 1,247,407,40 25 Costs of sales This consists of as follows: Salary & wages Operating and quest supplies Question of the revenue operating and uniforms Salary & wages Operating and quest supplies Question of the revenue operating and uniforms Kitchen fuel & Gas Complementary quest services 1,783,752 1,447,2614 Lin-house TV, video, movies, music Travel lagent's commission Travel lagent's commission Travel agent's commission 1,950,852 2,054,068 Pest control 98,000 845,000 Pestage Cleaning Supplies-Water Park Others | 22.3 | Franchise fee | | | |
| Add: provided during the year Less: Paid during the year Total 16,860,930 12,916,392 16,860,930 12,916,392 23 Net Asset Value Per Share (NAVPS) This has been arrived as under: Total Assets Total Liabilities 5,606,023,262 4,391,500,870 3,987,938,341 Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) Net Asset Value Per Share (NAVPS) 1,214,522,392 1,225,567,748 Number of Share 1,214,522,392 1,225,567,748 1,217,500,000 1,006 1,006 1,006 24 Operating Revenues This consists of as follows: Room Revenue Food & Beverage Revenue Food & Beverage Revenue 1,225,402,199 283,611,245 Food & Beverage Revenue 1,225,402,199 283,611,245 Food & Beverage Revenue 1,225,402,199 283,611,245 Total 2,22,837,467 1,404,984 Water Park Total 2,22,837,467 1,404,984 Water Park Total 2,28,77,44 1,404,984 Vater Park Total 2,28,77,744 1,447,249 Laundry, dry cleaning and uniforms Salary & wages Cost of materials & other related expenses Operating and quest supplies Cost of materials & other related expenses Operating and quest supplies Cost of materials & other related expenses Operating and quest supplies Complementary quest services 1,753,752 1,947,561 Linen, china, glass & silver 1,197,775 Linen, china, glass & silver 1,197,775 Linen, china, glass & silver 1,197,775 1,330,408 | | This consists of as follows: | | | |
| Less: Paid during the year | | Opening Balance | 12,916,392 | 7,953,195 | |
| Less: Paid during the year | | Add: provided during the year | 3,944,538 | 4,963,197 | |
| Total 16,860,930 12,916,392 | | Less: Paid during the year | 16,860,930 | 12,916,392 | |
| This has been arrived as under: Total Assets Total Liabilities | | | 16,860,930 | 12,916,392 | |
| This has been arrived as under: Total Assets Total Liabilities | | | | | |
| Total Assets 5,606,023,262 5,213,506,088 Total Liabilities 4,391,500,870 3,987,933,341 Net Asset Value 1,214,522,392 1,225,567,748 Number of Share 120,750,000 115,000,000 Net Asset Value Per Share (NAVPS) 10,066 10,066 | 23 | Net Asset Value Per Share (NAVPS) | | | |
| Total Liabilities | | This has been arrived as under: | | | |
| Total Liabilities | | Total Assets | 5.606.023.262 | 5.213.506.089 | |
| Number of Share 120,750,000 115,000,000 10.06 | | | 4,391,500,870 | 3,987,938,341 | |
| Net Asset Value Per Share (NAVPS) 10.06 10.66 | | | | | |
| Amount in Taka | | | | | |
| 24 Operating Revenues This consists of as follows: Room Revenue Room Room Room Room Room Room Room Ro | | ., | | | |
| 24 Operating Revenues This consists of as follows: Room Revenue Room Room Room Room Room Room Room Ro | | | | | |
| 24 Operating Revenues | | | | | |
| 24 Operating Revenues | | | | | |
| This consists of as follows: Room Revenue Room Revenue Food & Beverage Revenue Minor Operating department Space rent and Other revenue Water Park Total Costs of sales This consists of as follows: Salary & wages Cost of materials & other related expenses Operating and uniforms Kitchen fuel & Gas Complementary guest services Linen, china, glass & silver In-house TV, video, movies, music Travelling and communication Postage Pest control Postage Pest Cost Postage Pest Cost Postage Pest Cost Postage Pest Cost Postage Posta | 24 | Operating Revenues | 30 Julie 2020 | 30 Julie 2013 | |
| Food & Beverage Revenue 169,496,469 199,711,043 Minor Operating department 12,561,022 28,066,801 22,687,467 1,404,984 28,360,587 - 1 Total 28,360,577,44 512,794,073 | | | | | |
| Food & Beverage Revenue 169,496,469 199,711,043 Minor Operating department 12,561,022 28,066,801 22,687,467 1,404,984 28,360,587 - 1 Total 28,360,577,44 512,794,073 | | Room Revenue | 225,402,199 | 283,611,245 | |
| Space rent and Other revenue 22,687,467 (28,360,587) 1,404,984 (28,360,587) Total 458,507,744 512,794,073 25 Costs of sales 32,239,739 (239,739) 38,691,128 (28,360,587) Cost of materials & other related expenses 32,239,739 (239,739) 43,337,296 (28,337,296) Cost of materials & other related expenses 38,377,936 (28,466,554) 4,740,514 (28,470,514) 4,447,249 (28,470,514) Complemential & Gas 4,535,731 (28,554) 3,933,208 (28,554) Kitchen fuel & Gas 4,535,731 (28,554) 3,933,208 (28,554) Complementary guest services 1,753,752 (28,554) 1,947,561 (28,554) Linen, china, glass & silver 1,202,245 (28,54) 1,999,724 (28,54) In-house TV, video, movies, music 447,800 (28,498) 478,600 (28,498) Travel agents' commission 524,980 (28,498) 600,339 (28,498) Travelling and communication 1,950,852 (20,54,068) 2,054,068 (28,54) Pest control 998,000 (28,500) 845,000 (28,500) Postage 69,546 (28,531) 853,299 (28,531) Cleaning Supplies- Water Park 262,531 (28,531) 853,299 (28,531) | | Food & Beverage Revenue | | 199,711,043 | |
| Water Park Total 28,360,587 - Total 458,507,744 512,794,073 25 Costs of sales This consists of as follows: Salary & wages 32,239,739 38,691,128 Cost of materials & other related expenses 38,377,936 43,337,296 Operating and guest supplies 4,740,514 4,447,249 Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | Minor Operating department | | 28,066,801 | |
| Total 458,507,744 512,794,073 25 Costs of sales This consists of as follows: Salary & wages 32,239,739 38,691,128 Cost of materials & other related expenses 38,377,936 43,337,296 Operating and guest supplies 4,740,514 4,447,249 Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 2,054,068 Postage 69,546 <td ro<="" th=""><th></th><th>·</th><th></th><th>1,404,984</th></td> | <th></th> <th>·</th> <th></th> <th>1,404,984</th> | | · | | 1,404,984 |
| 25 Costs of sales This consists of as follows: 32,239,739 38,691,128 Cost of materials & other related expenses 38,377,936 43,337,296 Operating and guest supplies 4,740,514 4,447,249 Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | - | |
| This consists of as follows: Salary & wages Cost of materials & other related expenses Operating and guest supplies Laundry, dry cleaning and uniforms Kitchen fuel & Gas Complementary guest services Linen, china, glass & silver In-house TV, video, movies, music Travel agents' commission Travelling and communication Pest control Postage Pest control Postage Cleaning Supplies- Water Park Others 32,239,739 38,691,128 38,377,936 44,337,296 44,307,561 4,447,249 4,447,249 4,447,249 4,447,249 4,535,731 3,933,208 4,535,731 4,753,752 1,947,561 4,78,600 478,600 478,600 478,600 845,000 845, | | lotai | 456,507,744 | 512,794,073 | |
| This consists of as follows: Salary & wages Cost of materials & other related expenses Operating and guest supplies Laundry, dry cleaning and uniforms Kitchen fuel & Gas Complementary guest services Linen, china, glass & silver In-house TV, video, movies, music Travel agents' commission Travelling and communication Pest control Postage Pest control Postage Cleaning Supplies- Water Park Others 32,239,739 38,691,128 38,377,936 44,337,296 44,307,561 4,447,249 4,447,249 4,447,249 4,447,249 4,535,731 3,933,208 4,535,731 4,753,752 1,947,561 4,78,600 478,600 478,600 478,600 845,000 845, | | | | | |
| Salary & wages 32,239,739 38,691,128 Cost of materials & other related expenses 38,377,936 43,337,296 Operating and guest supplies 4,740,514 4,447,249 Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | 25 | Costs of sales | | | |
| Cost of materials & other related expenses 38,377,936 43,337,296 Operating and guest supplies 4,740,514 4,447,249 Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Operating and guest supplies 4,740,514 4,447,249 Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Laundry, dry cleaning and uniforms 3,703,563 2,486,554 Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | • | | | |
| Kitchen fuel & Gas 4,535,731 3,933,208 Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | 1 1 | | |
| Complementary guest services 1,753,752 1,947,561 Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Linen, china, glass & silver 1,202,245 1,599,724 In-house TV, video, movies, music 447,800 478,600 Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Travel agents' commission 524,980 600,339 Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Travelling and communication 1,950,852 2,054,068 Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Pest control 998,000 845,000 Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | · · · · · · | · · | | |
| Postage 69,546 383,841 Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| Spa Cost 262,531 853,299 Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | · · | | |
| Cleaning Supplies- Water Park 827,764 - Others 1,197,470 1,330,408 | | | | | |
| | | | · · | - | |
| 10tal 92,832,423 102,988,275 | | | | | |
| | | Total | 92,832,423 | 102,988,275 | |

| | | | in i aka |
|------|--|--|---|
| | | 01 July 2019 to | 01 July 2018 to |
| | | 30 June 2020 | 30 June 2019 |
| 26 | Administrative and Other Expenses | | |
| | This consist of the followings: | | |
| | Administrative and general expenses Note- (26.1) | 106,711,659 | 105,405,681 |
| | Repairs & maintenance and property operation Note- (26.2) | 54,858,093 | 61,553,247 |
| | | | |
| | Total | 161,569,752 | 166,958,928 |
| | | | |
| 26.1 | Administrative and general expenses | | |
| 20.1 | This consist of the followings; | | |
| | · · · · · · · · · · · · · · · · · · · | 40.040.070 | 40.700.070 |
| | Salaries, wages, bonus & benefits | 19,343,976 | 18,722,278 |
| | Postage | 59,546 | 27,088 |
| | Rent | - | 2,400,000 |
| | Travel & communication | 899,288 | 1,221,989 |
| | Entertainment | 313,482 | 422,411 |
| | Security services | 79,618 | 76,233 |
| | Internet Expenses | 1,362,182 | 1,355,410 |
| | Licenses & Taxes | 1,956,718 | 2,251,289 |
| | Donation | 412,646 | 269,299 |
| | Telephone Expenses | 853,563 | 931,498 |
| | Credit card commission | 2,392,643 | 2,851,585 |
| | Audit Fees | 1 1 | · · |
| | | 375,000 | 345,000 |
| | Legal & Profession Fees | 677,250 | 747,631 |
| | Insurance Expenses | 4,168,456 | 3,249,140 |
| | Franchise fee | 3,944,538 | 4,963,197 |
| | Board Meeting fees | 231,000 | 371,000 |
| | Trustee fee | 600,000 | 600,000 |
| | Depreciation | 67,741,231 | 63,731,867 |
| | Other expenses | 1,300,522 | 868,766 |
| | Total | 106,711,659 | 105,405,681 |
| | | | |
| | Salaries, wages, bonus & benefits Travel & communication Electricity expenses Fuel - Oil Repair & maintenance Laundry equipments Water treatment | 9,672,154 101,944 27,733,929 7,087,225 7,466,346 1,627,847 724,075 | 8,355,104 108,373 30,280,735 10,923,050 8,203,702 2,536,596 855,120 |
| | Other expenses | 444,573 | 290,567 |
| | Total | 54,858,093 | 61,553,247 |
| | | | |
| 27 | Distribution & Selling Expenses | | |
| | | | |
| | This consist of the followings; | | |
| | Salaries, wages, bonus & benefits | 5,655,995 | 5,381,793 |
| | Rent & Service Charge | 2,119,972 | 1,763,971 |
| | Advertising & Promotion | 510,402 | 779,641 |
| | Signs, events & functions | 519,600 | 802,465 |
| | Total | 8,805,969 | 8,727,870 |
| | Total | 0,000,909 | 0,727,070 |
| | | | |
| 28 | Net Finance Cost | | |
| | | | |
| | This consist of the followings: | | |
| | Bank Charges & Commission | 333,777 | 309,974 |
| | Interest on short and long term secured borrowings | 198,874,275 | 181,072,771 |
| | Interest on Lease Loan | 283,943 | _ |
| | | 271,940 | |
| | Interest Expenses on Office Space | | 101.000 |
| | | 199,763,935 | 181,382,745 |
| | Less: Bank Interest | (2,695,829) | (2,602,986) |
| | Total | 197,068,106 | 178,779,759 |
| | | | |

Amount in Taka

| | | Amaunt | in Take |
|------|---|-----------------------------|--------------------------------|
| | | Amount 01 July 2019 to 30 | 01 July 2018 to 30 |
| | | June 2020 | June 2019 |
| 29 | Income Tax Expenses/(Benefit) | | |
| | This has been arrived as under: | | |
| | Current Tax Expenses (Note: 29.1) | 2,830,799 | 3,081,777 |
| | Prior periods short provision Tax on Other Income | - | 233,479 |
| | Deferred Tax Expenses/(Benefit) | (521,447) | 5,854,873 |
| | Total | 2,309,352 | 9,170,129 |
| | | | |
| 29 1 | Current Tax Expenses | | |
| 20.1 | This has been arrived as under: | | |
| | Net Profit/(Loss) before Tax | (8,736,004) | 53,593,482 |
| | Other Income | 6,967,498 | (933,915) |
| | Workers Profit Participation Fund | - | 2,677,674 |
| | Payment of Worker Profit Participant Fund | (2,679,674) | - |
| | Add: Accounting Depreciation Less: Tax Depreciation | 64,158,956 (258,109,676) | 63,731,867 |
| | Taxable Current Profit/(Loss) | (198,398,900) | (250,353,501) (131,284,393) |
| | Taxable outremer Tomo(E033) | (190,390,900) | (131,264,393) |
| | Income Tax Rate | 25% | 25% |
| | | | |
| | Current Tax Expenses | | - |
| | 5 . | | |
| | But Minimum tax@ 0.6% on gross receipts | 2,830,799 | 3,081,777 |
| | Unused Tax Loss-Opening Balance | 558,010,355 | 426,727,962 |
| | Unused Tax Loss-during the Year | 198,398,900 | 131,282,393 |
| | Unused Tax Loss Carry forwarded to next period | 756,409,255 | 558,010,355 |
| | | | |
| 30 | Earnings per Share (EPS) | | |
| | The Computation of EPS is given below: | | |
| | Farning attributable to the Charabeldare (not profit after tay) | (11.045.356) | 44 400 050 |
| | Earning attributable to the Shareholders (net profit after tax) Weighted average number of shares (Note: 30.01) | (11,045,356) 120,750,000 | 44,423,353 107,352,740 |
| | Basic Earning per Share (EPS) | (0.09) | 0.41 |
| | (Face Value per Share Tk.10/=) | | |
| | | | |
| 30.0 | 1 Calculation of weighted average number of shares: | | |
| | This is made up as follows: | | |
| | Opening Balance | 115,000,000 | 100,000,000 |
| | Weighted number of shares of 15,000,000 Nos. IPO shares issued on 23 May, 2019* Bonus Share issued on 26th December, 2019 | 5,750,000 | 1,602,740 5,750,000 |
| | Total Number of Shares | 120,750,000 | 107,352,740 |
| | | | ,, |
| | * Calculation of weighted number of shares issued on 23 May, 2019 through IPO | for FY 2018-2019: | |
| | Days of utilization of shares | | |
| | Total number of IPO Shares Issued X | | 1,602,740 |
| | Days of whole year | | |
| | Dilutive Earnings par Share: | | |
| | This consist of the followings; | | |
| | Net profit after tax | (11,045,356) | 44,423,353 |
| | Interest save for conversion of shares (Net off tax) | 60,219,440 | 46,924,922 |
| | Net profit after tax | 49,174,084 | 91,348,275 |
| | Number of shares | | |
| | Outstanding number of shares | 120,750,000 | 107,352,740 |
| | Conversation of shares | 14,590,348 | 41,139,241 |
| | | 135,340,348 | 148,491,981 |
| | Diluted Earnings Per Share | | |
| | Anti Dilutad Farninga Day Cha | 2.00 | |
| | Anti-Diluted Earnings Per Share | 0.36 | 0.62 |
| | | | |

Anti diluted earning per share has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income.

| Amount in Taka | | | |
|--------------------|--------------------|--|--|
| 01 July 2019 to 30 | 01 July 2018 to 30 | | |
| June 2020 | June 2019 | | |

| Total face value of bond Conversion option 20% Number of shares under option | 3,250,000,000 145,903,479 14,590,348 | 3,250,000,000 411,392,405 41,139,241 |
|--|---|---|
| | | |
| Face value | 10.00 | 10.00 |
| Market price as on 30 June of respective year | 79.10 | 21.60 |
| Total Price | 89.10 | 31.60 |
| Conversion Strike Price = (Face value + market value)/2 | 44.55 | 15.80 |

80.0% of the principal amounts will be repaid in cash and the remaining 20.0% will be converted into ordinary equity shares (Investors Option) at the average value of the Market Price of SPBRSL and the Face Value of the equity shares of the company.

31 Net Operating Cash Flows Per Share (NOCFPS)

This has been arrived as under:

| Net Cash Generated from Operating Activities | 288,320,567 | 285,159,551 |
|---|-------------|-------------|
| Weighted average number of shares (Note: 30.01) | 120,750,000 | 107,352,740 |
| Net Operating Cash Flows Per Share (NOCFPS) | 2.39 | 2.66 |

32 Received from Customers:

| This has been arrived as under: | | |
|---------------------------------|--------------|--------------|
| Revenue | 458,507,744 | 512,794,073 |
| Accounts 'Receivable Opening | 66,325,684 | 67,161,187 |
| Accounts Receivable Closing | (53,033,626) | (66,325,684) |
| Total | 471,799,802 | 513,629,576 |

33 Payment to Creditors, Suppliers, Employees & Others

| This has been arrived as under: | | |
|---|---------------|---------------|
| Costs of sales | (92,832,423) | (102,988,275) |
| Administrative and Other Expenses | (161,569,752) | (166,958,928) |
| Distribution & Selling Expenses | (8,805,969) | (8,727,870) |
| Adjustment for Depreciation | 67,741,231 | 63,731,867 |
| (Increase)/Decease in inventory | (11,550,632) | (3,236,876) |
| Adjustment for advance | 29,295,366 | (8,241,856) |
| (Increase)/Decrees in Trade and Other Payables except payable for Property, Plant & Equipments and Payable to related party | 1,779,186 | (2,520,037) |
| Payment from WPPF | (2,679,674) | (4,186,702) |
| (Increase)/Decrees in Liabilities for expense except Provision for Income Tax and WPPF | 106,130 | 10,695,480 |
| Total | (178,516,537) | (222,433,197) |
| | | |

34 Income Tax paid

| Total | (4,962,698) | (6,036,828) |
|----------------------------------|--------------|--------------|
| Current tax during the period | (2,830,799) | (3,315,256) |
| Opening provision for income tax | (12,401,076) | (9,085,820) |
| Closing provision for income tax | 15,231,875 | 12,401,076 |
| Closing advance income tax | (19,206,349) | (14,243,651) |
| Opening advance income tax | 14,243,651 | 8,206,823 |
| This has been arrived as under: | | |
| moonie rax paid | | |

35 Property, Plant and Equipment

| Property, Plant and Equipment purchased (except purchased through IPO Fund) [22,039,880)] [(29,105,031 | Increased advanced of assets Total | (1,283,549) (23,323,429) | 1,407,891 (27.697.140) |
|---|---|-----------------------------|---------------------------|
| | Property, Plant and Equipment purchased (except purchased through IPO Fund) | (22,039,880) | (29,105,031) |
| | i nis nas peen arrived as under: | | |

| 36 | Capital Work in progress | Amount in Taka | |
|----|--|---------------------------------|---------------------------------|
| | This has been arrived as under: | 01 July 2019 to 30 June 2020 | 01 July 2018 to 30 June 2019 |
| | Addition during the year* | (474,108,593) | (489,441,991) |
| | (Increased)/Decreased Inventory of Construction Material | 17,019,551 | 4,439,524 |
| | Adjustment for Accounts Payable for PPE | (25,193,258) | (11,642,211) |
| | Adjustment for bond interest payable | 205,210,260 | 184,507,418 |
| | Adjustment for Advance | (62,132,536) | 31,518,367 |
| | | | |

| | Adjustment for bond interest payable | 205,210,260 | 184,507,418 |
|----|--|---|-----------------------------|
| | Adjustment for Advance | (62,132,536) | 31,518,367 |
| | Total | (339,204,576) | (280,618,894) |
| 27 | * Addition during the year includes Tk. 26,507,000 which has incurred for Furniture & Fixt progress and not available for use. Advances, Deposits and Prepayments | | |
| 31 | This has been arrived as under: | | |
| | Advances except income tax | (613,125) | (6,516,521) |
| | Security Deposits | (010,120) | (525,000) |
| | Prepayments | _ | (1,375,138) |
| | | (642.425) | |
| | Total | (613,125) | (8,416,659) |
| 38 | Finance Cost | | |
| | This has been arrived as under: | | |
| | Net Finance Cost | (197,068,106) | (178,779,759) |
| | Adjustment for Interest payable on Convertible Bond | 196,252,670 | 176,453,523 |
| | Adjustment for Interest waved from Syndicate term loan | - | - |
| | FDR Interest receivable (increased)/decreased Total | (815,436) | 2,550,000 223,764 |
| | ισιαι | (615,436) | 223,764 |
| 39 | Secured Term Loans Received/(Repaid)-Net This has been arrived as under: | | |
| | Increased /(Decreased) Long term secured loan | (10,615,774) | (13,233,672) |
| | Total | (10,615,774) | (13,233,672) |
| | Total | (10,010,114) | (13,233,012) |
| 40 | SPBRSL 20% Convertible Secured Bond This has been arrived as under: | | |
| | Increased /(Decreased) Convertible Bond | 351,462,930 | 360,960,941 |
| | Adjustment for Interest payable on Convertible Bond | (401,462,930) | (360,960,941) |
| | Total | (50,000,000) | - |
| | | (11,111,111,111,111,111,111,111,111,111 | |
| 41 | Proceeds from fresh issuance of share capital This has been arrived as under: | | |
| | Share capital Increased | - | 150,000,000 |
| | Adjustment for share money receivable | 75,000,000 | (75,000,000) |
| | Total | 75,000,000 | 75,000,000 |
| 42 | Reconciliation of Net profit with cash flow from operating activities This has been arrived as under: | | |
| | Net Profit Before Tax and WPPF | (8,736,004) | 56,273,156 |
| | Accounts 'Receivable Opening | 66,325,684 | 67,161,187 |
| | Accounts Receivable Closing | (53,033,626) | (66,325,684) |
| | Unrealised/Realised Gain/(Losses) on Investment | 6,967,498 | (933,915) |
| | Adjustment for Depreciation | 67,741,231 | 63,731,866 |
| | (Increase)/Decrease in Inventory | (11,550,632) | (3,236,876) |
| | (Increase)/Decrease in Advances Deposits Prepayments | 29,295,366 | (8,241,856) |
| | | | |

| Net Profit Before Tax and WPPF | (8,736,004) | 56,273,156 |
|---|--------------|--------------|
| Accounts 'Receivable Opening | 66,325,684 | 67,161,187 |
| Accounts Receivable Closing | (53,033,626) | (66,325,684) |
| Unrealised/Realised Gain/(Losses) on Investment | 6,967,498 | (933,915) |
| Adjustment for Depreciation | 67,741,231 | 63,731,866 |
| (Increase)/Decrease in Inventory | (11,550,632) | (3,236,876) |
| (Increase)/Decrease in Advances Deposits Prepayments | 29,295,366 | (8,241,856) |
| Increase/(Decrease) Trade and other payable | 1,779,186 | (2,520,037) |
| Increase/(Decrease) Liabilities for Expenses | 106,130 | 10,695,480 |
| Payment of WPPF | (2,679,674) | (4,186,702) |
| Adjustment of Finance Cost shown in Financeing activities | 197,068,106 | 178,779,759 |
| Income Tax Paid | (4,962,698) | (6,036,828) |
| Cash Flow from operating activities | 288,320,567 | 285,159,551 |

43 Additional disclosure

43.1 Deviation on EPS:

The company has experienced reduction in both Revenue by Tk. 54,286,329 & Net Profit after Tax Tk. 55,468,709 due to the unprecedented impact of Covid-19 pandemic (specially during the months from March to June 2020) resulting reduction in earning per share by Tk. 0.50 from the year ended on 30 June 2019. The reduction in NPAT also incurred due to increased financial expenses by Tk. 18,288,347 in comparison to corresponding previous year.

43.2 Deviation on NOCFPS:

Net cash generated by operating activities has decreased by Tk. 3,161,016 resulting reduction in net operating cash inflow per share (NOCFPS) by Tk. 0.27due to the unprecedented impact of Covid-19 pandemic (specially during the months from March to June 2020)

43.3 Deviation on NAVPS:

The company has experienced Net Loss after Tax Tk.11,045,356 due to the unprecedented impact of Covid-19 pandemic (specially during the months from March to June 2020) resulting reduction in net asset value per share by Tk. 0.60 from the year ended on 30 June 2019.

43.3 Restatement of cash flow from Operating Activities:

The company has changed its presentation for Other Income /(Loss) in cash flow from operating activities after review to ensure more appropriate presentation in accordance with IAS-1, para-45 (a). Detail information of such change as per IAS-1, para-41 has been presented below:

a) The nature of the reclassification:

The company generated Other Income /(Loss) from investment in marketable securities which was previously presented under collection from turnover & other receipts in cash flow from operating activities. As the whole cash generated/ (used) from Other Income /(Loss) is from investment activities, the presentation of cash flow from this activities has now shown in Investing Activities under Other Income /(Loss).

(b) The amount of item that is reclassified:

Cash generated from Other Income /(Loss) Tk. 2,843,793 during the year ended on 30 June, 2019 was presented under cash flow from operational activities in the Cash Flow Statement. But such presentation has been change in the cash flow statement for the year ended on 30 June, 2020 and presented under cash flow from investing activities. Due to such restatement NOCFPS of previous year has been reduced by Tk. 0.026.

(c) Reason for the reclassification:

This change has been made to ensure more appropriate presentation in accordance with IAS-1, para-45 (a).

43.4 Utilization of IPO Proceed:

Sea Pearl Beach Resort & Spa Ltd. has raised paid-up capital amounting Tk.150,000,000 through Initial Public offering vied Bangladesh Securities & Exchange Commission consent ref. no. BSEC/CI/IPO-0281/2018/231 dated March 25, 2019 for the acquisition of land, interior, finishing, furniture, fixture of 157 rooms & IPO expenses. The status of utilization of IPO proceeds of the Company as on 30th June 2020 has been presented in the below:

| Particulars | Amo | unt in BDT | |
|--|-------------|------------|-------------|
| | IPO Proceed | Utilized | Un-utilized |
| Acquisition of land | 26,660,000 | 26,660,000 | - |
| Interior, finishing, furniture, fixture of 157 rooms | 106,827,300 | 26,507,000 | 80,320,300 |
| IPO expenses | 16,512,700 | 16,512,700 | • |
| Total | 150,000,000 | 69,679,700 | 80,320,300 |

44 Related Party Disclosure

During the year the Company carried out transactions with related parties on an arm's length basis. Name of those related parties, nature of those transactions and their total value has been shown in below table in accordance with the provisions of IAS-24- "Related Party Disclosure".

Amount in Taka

| Name of the Party | Relationship | Nature of Transaction | Balar | ice as on 30 June | 2020 |
|--|----------------------|------------------------------|------------------------|---------------------------------------|--------------------|
| | | | Opening Balance Cr. | Transaction during the year (Dr.)/Cr. | Closing Balance |
| Shamim Enterprise (Pvt.) Limited | Common Management | Inter company transaction | - | 50,000,000 | 50,000,000 |
| Bengal Vacation Club Limited | Common Management | Inter company transaction | - | - | - |
| Lucy Akthary Mahal | Chairman | Board Fee | - | 42,000 | - |
| Md. Aminul Haque | Managing Director | Board Fee | - | 49,000 | - |
| Md. Ekramul Hoque | Director | Board Fee | - | 35,000 | - |
| Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd. | Director | Board Fee | , | 35,000 | - |
| Md. Rafiqul Islam | Independent Director | Board Fee | - | 35,000 | - |
| Md. Golam Rabbani | Independent Director | Board Fee | - | 35,000 | - |
| Total | | | - | 50,231,000 | 50,000,000 |

Key Management Compensation:

During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As Para 17 of IAS 24)

| Particulars | Amount | in Taka |
|------------------------------|---------------------------------|---------------------------------|
| | 01 July 2019 to 30 June 2020 | 01 July 2018 to 30 June 2019 |
| Short-Term Employee Benefits | 6,602,433 | 6,604,427 |
| Post-Employment Benefits | - | - |
| Other Long-Term Benefits | - | - |
| Termination Benefits | - | - |
| Share-Based Payment | - | - |

45 Attendance Status of Board Meeting of Directors:

During the year ended 30 June, 2020 total seven Board of Directors' Meetings were held. The attendance status of all the meetings is as follows:

| Name of the Directors | Designation | Meeting held | Attendance |
|--|----------------------|--------------|------------|
| Lucy Akthary Mahal | Chairman | 7 | 6 |
| Md. Aminul Haque | Managing Director | 7 | 7 |
| Md. Ekramul Hoque | Director | 7 | 5 |
| Sarjana Islam Nominated by Shamim Enterprise (Pvt.) Ltd. | Director | 7 | 5 |
| Md. Rafiqul Islam | Independent Director | 7 | 5 |
| Md. Golam Rabbani | Independent Director | 7 | 5 |

46 Disclosure as per requirement of schedule XI, Part-II of companies Act. 1994

46.1 Commission, Brokerage or Discount against sales:

- (a) There was no brokerage or discount against sales during the year.
- (b) No commission was paid to sales against during the year.

46.2 Disclosure as per requirement of Schedule XI, Part II, Para 4:

As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person.

47 Service (Production) capacity & Utilization:

As per the nature of the industry, production quantity of service with the course of the period produce on the basis of service design as per market demand. Therefore, installed capacity in terms of multiple and frequently changeable service mix is not constant factor. During the year under review, actual service, the installed capacity in terms of the counts produced and the utilization rate is presented below: (for the year from 1 July 2019 to 30 June 2020)

| Description | Available rooms | Utilize rooms | % of capacity utilization |
|-------------|-----------------|---------------|---------------------------|
| Guest Rooms | 66,275 | 35,448 | 53.49% |

48 Subsequent Disclosure of Events after the Balance Sheet Date- Under IAS 10:

- i) The financial statements were authorized for issue on 26th October 2019 by the Board of Directors who had the power to amend the financial statements after issue. There is no other significant event that has occurred between the Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the company.
- ii) Subsequent to the financial position date, the Board of Directors has recommended cash dividend @ 1% for shareholders excluding sponsors and directors of the Company in its board meeting held on 27th October 2020. The dividend proposal is subject to shareholder's approval at the forthcoming 11th AGM.

Except the fact as stated above, no circumstances have arisen since the statement of financial position date which would require adjustments, or disclosure in the financial statements.

49 Dividend Paid to the Shareholder:

During the year under review Stock Dividend for 2018-2019 amounting to Tk. 57,500,000 (5,750,000 Nos. ordinary shares) has been paid/(issued) to the Shareholders.

50 Un-availed Credit Facilities:

There are no credit facilities available to the Company under any contract (other than credit available in ordinary course of business) at the Statement of Financial Position date.

51 Value of Import at CIF basis:

Number of temporary staff/worker

5

5

Total

Import during the period from 1 July 2019 to 30 June 2020.

| Particulars: | Amount Tk. |
|--------------------|------------|
| Lundry Equipment's | 30,225 |

52 Percentage of materials consumed to the total consumed:

| | Material consumed N/A | Amount | Percentage | Amount (BDT) | Percentage |
|----|--|------------------------------|----------------|--------------|---------------------------|
| 53 | Payment in foreign currency: Description | | | | Foreign Currency (USD) |
| | N/A | | | | - |
| 54 | Number of Employees All the employees receive salary /wages in Number of permanent staff Number of permanent workers | excess of Tk. 6,000 per mont | th | | 341 - |

55 General

55.1 Directors Responsibility Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

55.2 Employee Details:

i) Total number of employees at the end of the year was 341. Out of total employees, 311 numbers of employees employed throughout the year and rest numbers of employees employed for a part of the year. None of the employees were in receipt of remuneration which in aggregate was less than Tk. 6,000 per month.

ii) At the end of the reporting period, there were 341 employees in the company.

55.3 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest Taka and wherever considered necessary.

Dated, Dhaka; 27 October, 2020

Sea Pearl Beach Resort & Spa Limited Property, Plant, Equipment & Right of Use Asset As at 30 June 2020

Annexure-A Amount in Taka

Property, Plant & Equipment:

| SI. No. | o. Assets | | Cost | | 0 | Dep. Rate | | Depreciation | iation | | Written Down |
|---------|----------------------------------|---------------|---------------------------|-----------------|---------------|-----------|---------------|--------------|------------------|---------------|---------------|
| | | Balance as at | Additions during Disposal | | Balance as at | (%) | Balance as on | Charged | Accumulated | Balance as at | Value as on |
| | | 01.07.2019 | the year during | during the year | 30.06.2020 | | 01.07.2019 | during the | Depreciation for | 30.06.2020 | 30.06.2020 |
| | | | | | | | | year | Disposal | | |
| 1 | Land & Land Development | 136,992,689 | 33,980,668 | - | 170,973,357 | %0 | - | - | - | - | 170,973,357 |
| 2 | Building & Other Civil Works | 2,141,954,893 | 249,773,746 | - | 2,391,728,639 | 1.25% | 64,426,136 | 27,270,014 | - | 91,696,150 | 2,300,032,489 |
| က | Fumiture & Fixture | 142,870,341 | 567,792 | | 143,438,133 | 10% | 27,549,388 | 11,559,939 | - | 39,109,327 | 104,328,806 |
| 4 | Computer Accessories & Equipment | 2,481,534 | 1,596,490 | - | 4,078,024 | 10% | 449,372 | 299,353 | - | 748,725 | 3,329,299 |
| 2 | Machineries | 406,825,246 | 63,781,932 | • | 470,607,178 | 2% | 70,490,831 | 18,177,403 | - | 88,668,234 | 381,938,944 |
| 9 | Equipments | 136,638,295 | 2,434,722 | - | 139,073,017 | 2% | 22,957,513 | 5,767,656 | - | 28,725,169 | 110,347,848 |
| 7 | Vehicle | 13,521,500 | - | - | 13,521,500 | 10% | 2,675,590 | 1,084,591 | - | 3,760,181 | 9,761,319 |
| Total | Fotal as at 30 June 2020 | 2,981,284,498 | 352,135,350 | • | 3,333,419,848 | | 188,548,830 | 64,158,956 | - | 252,707,786 | 3,080,712,062 |
| | | | | | | | | | | | |
| Total | Total as at 30 June 2019 | 2,950,532,112 | 30,752,386 | | 2,981,284,498 | | 124,816,963 | 63,731,867 | | 188,548,830 | 2,792,735,668 |

During the year an amount of TK, 303,435,470 has been transferred to Property Plant, & Equipments from Capital Work in Progress as the construction/installation of PPE has been completed and also available for use. Detail of such transfer has been given in note no. 7 of the Notes to the Financial Statements. Land & Land Development includes tk, 26,660,000 which has been purchased from IPO fund during the year.

Right of Use Assets:

| SI. No. | Assets | | Cost | ±. | | Dep. Rate | | Depreciation | iation | | Written Down |
|---------|--------------------------|-----------------------------|--|-----------------------------|-----------------------------|-----------|-----------------------------|-------------------------------|---|--------------------------|--------------|
| | | Balance as at 01.07.2019 | Balance as at Additions during Disposal Balance as at 01.07.2019 the year during the year 30.06.2020 | Disposal during the year | Balance as at 30.06.2020 | | Balance as on 01.07.2019 | Charged during the year | Charged Accumulated Balance as at during the Depreciation for year Disposal | Balance as at 30.06.2020 | 30.06.2020 |
| 1 | Vehicle | - | 9,304,609 | - | 9,304,609 10% | 10% | - | 445,846 | - | 445,846 | 8,858,763 |
| 2 | Office Space | - | 9,518,157 | - | 9,518,157 | | - | 3,136,429 | - | 3,136,429 | 6,381,728 |
| Total a | Total as at 30 June 2020 | - | 18,822,766 | • | 18,822,766 | | • | 3,582,275 | - | 3,582,275 | 15,240,491 |

Sea Pearl Beach Resort & Spa Limited Property, Plant and Equipment Schedule As at 30 June 2019

Amount in Taka

Annexure-A

| | | Cost | t | | | | Depreciation | iation | | |
|----------------------------------|--------------------------|--|----------------------------------|-----------------------------|------------------|-----------------------------|---------------------------------|---|--------------------------|---------------------------|
| Assets | Balance as at 01.07.2018 | Balance as at Additions during 01.07.2018 the period | Disposal during the period | Balance as at 30.06.2019 | Dep. Rate (%) | Balance as on 01.07.2018 | Charged during the period | Accumulated Depreciation for Disposal | Balance as at 30.06.2019 | Value as on 30.06.2019 |
| Land & Land Development | 121,201,697 | 15,790,992 | - | 136,992,689 | %0 | • | - | • | - | 136,992,689 |
| Building & Other Civil Works | 2,140,307,538 | 1,647,355 | - | 2,141,954,893 | 1.25% | 38,143,943 | 26,282,193 | • | 64,426,136 | 2,077,528,757 |
| Furniture & Fixture | 140,013,295 | 2,857,046 | - | 142,870,341 | 10% | 14,897,065 | 12,652,323 | • | 27,549,388 | 115,320,953 |
| Computer Accessories & Equipment | 1,717,784 | 763,750 | - | 2,481,534 | 10% | 267,037 | 182,335 | - | 449,372 | 2,032,162 |
| Machineries | 404,732,579 | 2,092,667 | - | 406,825,246 | 2% | 52,852,602 | 17,638,229 | - | 70,490,831 | 336,334,415 |
| Equipments | 134,282,719 | 2,355,576 | - | 136,638,295 | 2% | 17,040,133 | 5,917,380 | - | 22,957,513 | 113,680,782 |
| | 8,276,500 | 5,245,000 | - | 13,521,500 | 10% | 1,616,183 | 1,059,407 | - | 2,675,590 | 10,845,910 |
| Total as at 30 June 2019 | 2,950,532,112 | 30,752,386 | - | 2,981,284,498 | | 124,816,963 | 63,731,867 | • | 188,548,830 | 2,792,735,668 |
| | | | | | | | | | | |
| Total as at 30 June 2018 | 1,890,224,583 | 1,061,877,529 | 1,570,000 | 2,950,532,112 | | 61,200,319 | 63,883,641 | 266,997 | 124,816,963 | 2,825,715,149 |
| | 2226: ==62266: | | | - | ╛ | | 2. 2(22=6. 2 | | | (|

SI. No.

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| Notes: | | |
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SEA PEARL BEACH RESORT & SAP LIMITED

Corporate Office: UTC Building (level-14), 08 Panthapath, Dhaka-1215, Tel+88029140454, 9140854 Fax +88029140616 Email: cs@seapearlbd.com, Web: www.seapearlbd.com

| Pro | oxy Form |
|--|--------------|
| I/We | |
| Of | |
| being a Shareholder Member of Sea Pearl Beach Resort & Spa Limited, do hereby appo | |
| of | |
| either of them may, in writing, appoint anyone to act as my proxy at the 11th Annual General Meeting of the Co | mpany to be |
| held on Saturday, 19 December 2020 and at any adjournment thereof. | |
| As Witness my/our hand this day of 2 | 020. |
| Revenue Stamp of Tk.20 Signature of Proxy Signature of Sharesholder | |
| Folio/ BO ID No. Shareholder(s): | |
| NOTES: No. of shares held | |
| 1. A member entitled to attend and vote in the AGM may appoint a proxy to attend and Vote on his/her behalf. | |
| 2. The Proxy From, duly filed and stamped must be deposited at the corporate office of the Company, at least 48 | hours before |
| of the meeting. | |
| 3. Signature of member(s) must be accordance with the Specimen Signature recorded with the Company. | |
| SEA PEARL Corporate Office: UTC Building (level-14), 08 Panthapath, Dhaka-1215, Tel+88029140454, Fax +88029140616 Email: cs@seapearlbd.com, Web: www.seapearlbd.com | |
| I/we do hereby record my/ our attendance at the 11th Annual General Meeting (AGM) of the Company being held | on Saturday, |
| 19 December 2020 at 11.00 am on digital platform. | |
| Name of the Sharesholder(s) Proxy. | |
| | |
| Folio/ BO ID No. Shareholder(s): | |

Signature of Sharesholder(s)/ Proxy

Note: Please present this attrndence slip at the registration counter before 11.00 am of the AGM date. Children & non shareholders will not be allowed at the meeting.



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Corporate Office

UTC Tower (Level-14), 8 Panthapath Dhaka-1215, Bangladesh. Tel: 880-2-9140454, 9140854 Fax: 880-2-9140616

Registered Office

4, K. B. Ismail Road Mymensingh, Bangladesh Tel: 091 - 62134, 65012 Fax: 091 - 64049

Resort Location

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