



ANNUAL REPORT 2018-2019



**STAY AT ROYAL TULIP &
GET SPECIAL DISCOUNT**

SEA PEARL WATER PARK



**Reservation : 01844016070
01844016117**

Corporate Office

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

Resort Location

Jaliapalong, Inani, Ukhia
Cox's Bazar-4750, Bangladesh.
Tel : +880341-52666 – 80
Fax : +880341-52681



Registered Office

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

Corporate Office

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

Resort Location

Jaliapalong, Inani, Ukhia
Cox's Bazar-4750, Bangladesh.
Tel : +880341-52666 – 80
Fax : +880341-52681

Contents	Page
Letter of Transmittal	03
Notice of the 10th Annual General Meeting	04
Company Profile	06
Vision, Mission, Core Value	07
Corporate Management	08
Corporate Information	11
Board of Directors	12
Chairperson's Statements	16
Managing Director's Statement	18
Corporate Management	21
Glimpses of IPO Lottery	24
Directors Report	30
Product & Services	54
Management Report	76
Audit Committee Report	93
Nomination and Remuneration Committee (NRC) Report	99
Statement of Corporate Governance	101
MD and CFO Declaration to the Board	118
Compliance Certification on Corporate Governance	119
Independent Auditor's Report	129
Statement of Financial Position	133
Statement of Profit or Loss and Other Comprehensive Income	134
Statement of Changes in Equity	135
Statement of Cash Flows	136
Notes to the Financial Statements	137
Proxy Form and Attendance Slip	161

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 2019.

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 2019 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 chairman of the Board of Directors, Managing Director and Directors' Report. The Annual report is available in the website of the Company at www.seapearlbdr.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 10TH ANNUAL GENERAL MEETING

Notice is hereby given that the 10th Annual General Meeting of the Shareholders of Sea Pearl Beach Resort & Spa Limited will be held on 26 December 2019 at 11.00am at Advocate Tareq Shriti Auditorium, Town Hall Round, Mymensingh City Corporation, Mymensingh to transact the following businesses:

AGENDA

- Agenda-1: To receive, consider and adopt the Annual Audited Financial Statements of the company for the year ended 30 June 2019 together with the Auditor's Report and the Director Report thereon.
- Agenda-2: To approve the dividend as recommended by the Board of Director for the year ended 30 June 2019.
- Agenda-3: To elect/re-elect director(s) of the company.
- Agenda-4: To approve the appointment of Independent and Nominated Director(s) for one next year.
- Agenda-5: Appointment of Auditors of the company until the conclusion of the next Annual General Meeting (AGM) and fixation of their remuneration.
- Agenda-6: To discuss other business, if any

By order of the Board



Company Secretary

Dated, Dhaka: 28 October 2019.

NOTES:

- Members whose names would appear in the Share Register/ Depository Register on the record date on 24 November 2019 will be eligible to attend at the 10th Annual General Meeting and entitled to receive the Dividend.
- Members eligible to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form duly filled, signed and stamped must be deposited at the Board Room of Company's Corporate Office, UTC Building, 8 Panthapath, Dhaka-1215 not later than 72 hours before the AGM.
- Admission to the meeting room will be strictly checked and verified with the attendance slip sent with the Annual Report as well as verification of signature of Member(s) and/or Proxy-holder(s).
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRC-D/2006-158/208/Admin/81 dated 20 June, 2018, the company will forward the Annual Report 2018-19 in soft form to the e-mail address of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository duly. Members are requested to update their email addresses through their respective Depository Participant (DP). The soft copy of the Annual Report 2018-19 will also be available in the Company's website at www.seapearlbld.com
- The concerned Brokerage House/DPs are requested to provide us the statement (both of hard copy & soft copy) on or before 17 December 2019 with detail of their margin loan holders entitled to Dividend for the year ended on 30 June 2019. The statements should include Shareholders Name, BOLD Number, Client-wise shareholding position, contact person name & mobile number etc. The record date was 24 November 2019.
- Notice of the 10th AGM will be served in due course.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কুপন প্রদানের ব্যবস্থা থাকবে না।

10TH ANNUAL GENERAL MEETING OF SEA PEARL BEACH RESORT & SPA LIMITED

Held on Thursday, at 11:00 a.m.
26 December 2019

VENUE :

ADVOCATE TAREQ SHRITI AUDITORIUM

Town Hall Round, Mymensingh City Corporation, Mymensingh.

HELPLINE :

MD. AZAHARUL MAMUN

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



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 is 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 of the Company throughout the period were carrying out 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 Amersfoort, 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.



VISION



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

MISSION



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 and 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



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

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

Audit Committee

Sl. No	Name	Designation	Position
01	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
02	Ms. Sarjana Islam	Director	Member
03	Mr. Md. Ekramul Hoque	Director	Member

Nomination and Remuneration Committee

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

Executive Committee

Sl. No	Name	Designation	Position
01	Mr. Md. Aminul Haque	Managing Director	Chairperson
02	Mr. Md. Rafiqul Islam	Independent Director	Member
03	Mr. Md. Ekramul Hoque	Director	Member
04	Mr. Lucy Akhtary Mahal	Chairperson	Member
05	Mr. AHM Mokbul Hossain	Chief Executive Officer	Member
06	Ms. Mahjabin Haque Masha	Corporate Director	Member
07	Mr. Mizanur Rahman	Chief Financial Officer	Member
08	Mr. Md. Azaharul Mamun	Company Secretary	Member

Risk Management committee

Sl. No	Name	Designation	Position
01	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
02	Mr. Md. Golam Rabbani	Independent Director	Member
03	Mr. Md. Ekramul Hoque	Director	Member
04	Mrs. Sarjana Islam	Director	Member

Board CSR Committee

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

Chief Financial Officer
Mizanur Rahman

Company Secretary
Md. Azaharul Mamun

Registered Office

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

Corporate Office

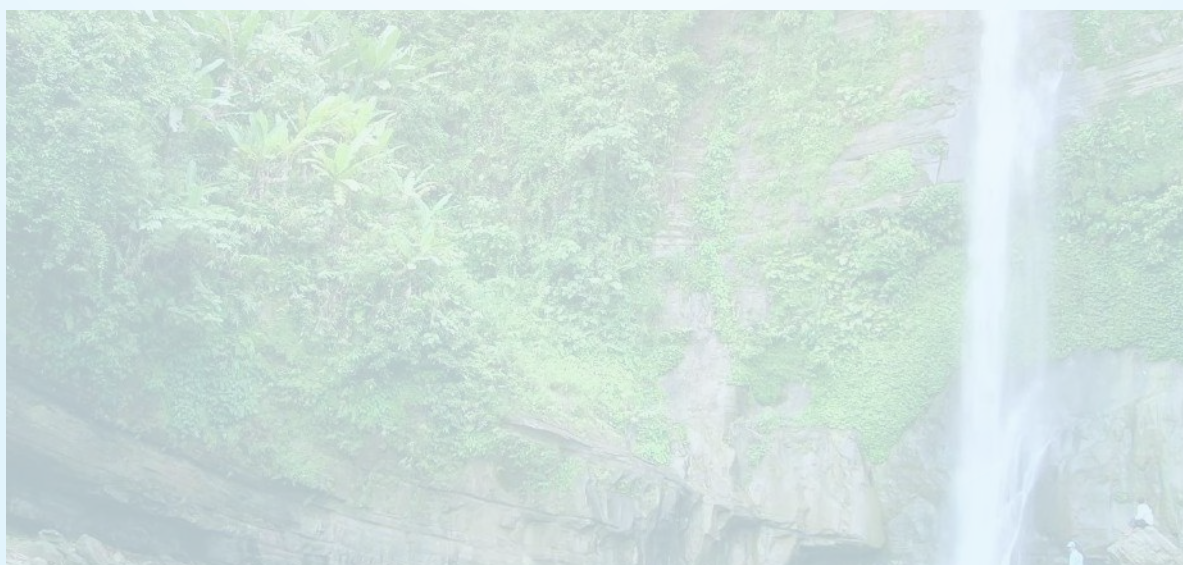
UTC Tower (Level-14) 8 Panthapath
Dhaka-1215, Bangladesh.
Tel : 880-2-9140454, 9140854
Fax : 880-2-9140616

Resort Location

Jaliapalong, Inani, Ukhia
Cox's Bazar-4750, Bangladesh.
Tel : +880341-52666 – 80
Fax : +880341-52681

CORPORATE INFORMATION

Particulates	Date
Date of Incorporation	26.05.2009
BOI Registration	13.09.2013
Date of commencement of Royal Tulip Cox's Bazar	17.09.2015
License from Ministry of Civil Aviation & Tourism	21.03.2016
Converted to Public Limited Company	14.11.2017
License of Membership from Cox's bazar Chamber	14.07.2012
Signing of Management Contract with Royal Tulip	17.12.1999
Listing with Dhaka Stock Exchange Limited	19.06.2019
Listing with Chittagong Stock Exchange Limited	23.05.2019
Trade date with Dhaka Stock Exchange Limited	16.07.2019
Trade date with Chittagong Stock Exchange Limited	16.07.2019



BOARD OF DIRECTORS



Lucy Akhtary Mahal

Md. Golam Rabbani

Md. Ekramul Haque

Md. Aminul Haque

Md. Rafiqul Islam

Mrs. Shajana Islam



BOARD OF DIRECTORS MEETING

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 Chairman has been involved with Royal Tulip Cox's bazar from the very beginning of its 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 reputed 1st Class 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.



Lucy Akhtary Mahal
Chairman

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. 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. 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. Aminul Haque occupied a good number of prestigious and high profile offices in different organizations. Starting his career in the year 1984 in an Construction Business Organization named Shamim Enterprise (Pvt) Ltd., Mr. Aminul Haque 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 Enterprise Properties Ltd, Dhaka Bricks Ltd, Sornali Solar Ltd, Bangladesh Bio Diesel Corporation Ltd, Sornali International Ltd, United Transport Ltd, Nirapad Travels Ltd,



Md. Aminul Haque
Managing Director

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 served as the Honorary President of Mymensingh Chamber of Commerce & Industries from 2016 to till date. Ex-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 and General Secretary of Bangladesh Sarak Poribahan Somity from 2008 to till date. President of Governing Body of Nasirabad College from 2014 to till date. Governing Body of Mymensingh Mohabiddaloy, Mymensingh from 2014 to till date. President of Governing Body of Mukul Nikaton High School from 2013 to till date, Ex-Secretary General of Mymensingh Zila Motor Malik Somity from 1996 to 2003, Convener of Dhaka Division (South Area) Malik Sromik Okay 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.

Md. 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. Md. 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 position of Shamim 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 or 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. Md. 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.



Md. Ekramul Haque
Director

Mrs. Shajana Islam is a Nominated Director of Shamim Enterprise (Pvt.) Limited. She is the daughter in law of Mr. Aminul Haque, Managing Director and Lucy Akhtary Mahal Chairman of the Company. She has completed her business graduate degree from North South University in Bangladesh a talented management personnel of Sea Pearl Beach Resort and Spa Limited. 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. Shajana Islam has also associated herself with many social organizations in the Country.



Mrs. Shajana Islam
Nominated Director

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 is completed M.S.S from Birmingham 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 he 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.



Md. Rafiqul Islam
Independent Director

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.



Md. Golam Rabbani
Independent Director

Chairperson's Statement



Mrs. Lucy Akhtary Mahal
Chairperson

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 10th 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 2018-2019. The Company has been able to keep up strong position in all key areas comprising good property, sound management, good earnings 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 planned to open water park adjacent to the Resort within the end of the current year. 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 a resort at Bandarban at an area of 35 Acre land. 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 10th Annual General Meeting of Sea Pearl Beach Resort & Spa Limited and offer my heartiest felicitation to all of you.



Mrs. Lucy Akhtary Mahal

Chairperson

Managing Director's Statement



Md. Aminul Haque
Managing Director

Dear Respected Shareholders,
Assalamu Alaikum

It is my pleasure to report another successful year of operation of Sea Pearl Beach Resort & Spa Limited to you despite external challenges and competitive scenarios in 2018-2019. Despite main road block due to road construction and tough competition, Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2018-2019. The Company has been able to keep up strong position in all areas covering good asset quality, sound management, good earnings 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. 234,079,380 by the efficient operation and dynamic management of Sea Pearl Beach Resort & Spa Limited as compared to other hotels in Cox's Bazar. I would like to congratulate each and every official and employee of the Royal Tulip Sea Pearl Beach Resort & Spa without whom this performance would not have been possible. 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 2019, which is summarized below:

Particulars	2018-2019	2017-2018
Operating Revenue	512,794,073	468,895,376
Cost of Sales	(102,988,275)	(102,054,551)
Gross Profit	409,805,798	366,840,825
Profit before tax	53,593,482	83,734,050
Net Profit after tax	44,423,353	46,091,950
Earnings per share (EPS)	0.44	0.67

Dear valued shareholders

I am delighted to let you know that the Board of Directors of the Company has recommended 05% stock dividend for the year 2018-2019, which we believe to be a good return to our shareholders in the present capital market scenario as well as first time in the capital market. We are committed to keep continuity and consistency in the payment of dividend vis-à-vis the market scenario in the coming years. 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

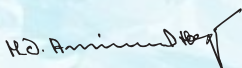
With the development of Travel and Leisure sector, tourism of Bangladesh is flourishing. Travel and Leisure sector contributes significantly to the national revenue. This sector has remarkable growth and huge potential to contribute to the overall trade balance of the country. Sea Pearl Beach Resort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

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 attract the local & foreign tourists.

Sea Pearl Beach Resort & Spa Limited has planned to open 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 a 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.

I 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 Bank, Bangladesh Investment Development Authority (BIDA) and other regulatory authorities and institutions for their guidance, valuable suggestion and continuous support.



Md. Aminul Haque
Managing Director

Corporate Management



SL	Name	Designation	Department
01	Mr. Md. Aminul Haque	Managing Director	Executive Office
02	Mr. A H M Mokbul Hossain	Chief Executive Officer	Executive Office
03	Ms. Dr.Mahjabin Haque Masha	Corporate Director	Executive Office
04	Mr. Md Mizanur Rahman	Chief Financial Officer	Accounts & Finance
05	Mr. Md. Azaharul Mamun	Company Secretary	Board Secretariat
06	Mr. Tariqul Islam	Deputy Manager	Accounts & Finance
07	Mr. Jahirul Islam	In-Charge of Internal Audit	Internal Audit
08	Ms. Farzana Akhter Liza	HR In-Charge	Human resource
09	Mr.Taufiq Ahmed	IT In-Charge	Information Technology
10	Mr. Tazibul Haqu Taaz	Sr. Executive	Brand & Design
11	Mr. Md. Samiul Hoque	Asst. Manager	Commercial
12	Mr. Mosheur Rahman	In-charge	Administration
13	Mr. Md. Ruhul Amin	Executive	Internal Audit

Sales & Marketing Team



Hotel Operation Team



Hotel Operation Team

SL	Name	Designation	Department
01	Mr. Kamrul Hasan Sagar	Financial Controller	Accounts & Finance
02	Mr. Ahsan Ishaque	Director Sales & Marketing	Sales & Marketing
03	Mr. Shajib Chakroborty	Room Division Manager	Admin Executive
04	Mr. Shahenur Md. Al -Amin	Manager	Engineering
05	Mr. Roni Kumar Khan	Manager	Human Resources
06	Mr. AKM Asadur Rahman	Marketing Manager	Sales &Marketing
07	Mr. Mohammed Nurul Aziz	Finance Manager	Accounts & Finance
08	Mr. Mohammad Nazim Uddin	Executive Housekeeper	Housekeeping
09	Mr. Md. S M Farid Billa	Asst. Manager Front Office	Front Office
10	Mr. AHM Zaidi	Asst. Manager Reservation	Reservation
11	Mr. Nirmol Gomes	Executive Chef	F&B Service
12	Mr. AKM Rafiqul Emdad	Manager	Security
13	Mr. Md. Mehdi Hasan	Manager	Information Technology
14	Mr. Rakibul Isalm	Sr. Purchase Executive	Purchase & store
15	Mr. AKM Nuruzzaman	Sr. Restaurant Manager	F&B Production
16	Mr. Md. SM Farid Billa	Asst. Front office Manager	Front Office
17	Mr. Mohammad Reaz Uddin	Front office Supervisor	Front Office
18	Mr. Saleh Uddin	Sr. HK Supervisor	HK Room
19	Mr. Mohammed Rezaul Karim	Sr. Stewarding Supervisor	F&B Stewarding
20	Mr. Shakuwat Hossain	Laundry Supervisor	Laundry
21	Mr. Md. Iftekar Hossain	Kitchen Coordinator	F&B Production
22	Mr. Md. Imam Uddin	Cost Controller	Accounts & Finance
23	Mr. Mohammad Shariful Islam	Assistant Credit Manager	Accounts & Finance
24	Mr. Akkas Ali Sheikh	Garden Supervisor	HK Gardener
25	Ms. Farhana Afroz	Medical Officer	Human Resources

GLIMPSES OF IPO LOTTERY



SEA PEARL™
BEACH RESORT & SPA LTD.

PROSPECTUS



ROYAL TULIP
LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH



GLIMPSES OF IPO LOTTERY



GLIMPSES OF IPO LOTTERY



GLIMPSES OF IPO LOTTERY



Trading Agreement with DSE



On the Listing Agreement Signing Ceremony
of
Sea Pearl Beach Resort & Spa Limited
at
Dhaka Stock Exchange Limited

With the Compliments
of
DHAKA STOCK EXCHANGE LIMITED

Trading Agreement with CSE



Sea Pearl Beach Resort & Spa Ltd.

Proud to be partner with



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 2018-2019 and the annual audited financial statements of the Company for the year ended 30 June 2019 together with the Statutory Auditors' report and Corporate Governance Compliance Report thereon. The Directors' Report has prepared in compliance with:

- a. 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. It generated 125,000 international tourists in 2014 and international tourism generated US\$ 1.5 trillion in export earnings and international tourist arrivals grew by 4.3% in 2014 to 1.133 billion.

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 BDT427.5bn (USD 5,310.4mn), 2.2% of total GDP in 2017 and is forecasted to rise by 6.1% in 2018, and to rise by 6.2% pa, from 2018-2028, to BDT824.0bn (USD10,235.7mn), 2.1% of total GDP in 2028. The total contribution of Travel & Tourism to GDP was BDT850.7bn (USD10,567.4mn), 4.3% of GDP in 2017, and is forecast to rise by 6.4% in 2018, and to rise by 6.8%pa to BDT1,753.1bn (USD21,777.6mn), 4.6% of GDP in 2028.

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 main road block due to construction and tough competition, Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2018-2019. The Company has been able to keep up strong position in all areas covering good asset quality, sound management, good earnings 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. 234,079,380 by the efficient operation and dynamic management of Sea Pearl Beach Resort & Spa Limited as compared to other hotels in Cox's Bazar. I would like to congratulate each and every official and employee of the Royal Tulip Sea Pearl Beach Resort & Spa without whom this performance would not have been possible.

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.

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 2019 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, actual service, 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 2018 to 30 June 2019	87,965	53,912	61.29%
From 01 July 2017 to 30 June 2018	81,249	49,660	61.12%

Financial Performance :

Particulars	2018-2019	2017-2018
Operating Revenue	512,794,073	468,895,376
Cost of Sales	(102,988,275)	(102,054,551)
Gross Profit	409,805,798	366,840,825
Profit before tax	53,593,482	83,734,050
Net Profit after tax	44,423,353	46,091,950
Earnings per share (EPS)	0.44	0.67

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

Particulars	Amount in Taka				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Non-Current Assets	4,785,825,908	4,331,010,753	4,043,249,321	3,746,684,951	2,824,222,059
Current Assets	427,680,181	456,269,527	85,927,027	157,353,470	554,517,493
Total Assets	5,213,506,089	4,787,280,280	4,129,176,348	3,904,038,421	3,378,739,552
Authorized Capital	2000,000,000	2000,000,000	250,000,000	250,000,000	250,000,000
Shareholder's equity	1,225,567,748	1,047,657,095	86,565,145	33,795,824	62,500,000
Non-current liabilities	3,436,000,894	3,523,101,485	3,690,713,031	2,974,828,495	3,275,781,869
Current Liabilities	551,937,447	216,521,699	351,898,172	895,414,102	40,457,683
Total Equity & Liabilities	5,213,506,089	4,787,280,280	4,129,176,348	3,904,038,421	3,378,739,552
Net Asset Value Per Share (NAVPS)	10.66	10.48	10.18	54.07	100.00

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

Particulars	Amount in Taka				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015*
Operating Revenue	512,794,073	468,895,376	331,565,052	74,597,418	-
Cost of Sales	(102,988,275)	(102,054,551)	(67,712,481)	(26,352,768)	-
Gross Profit	409,805,798	366,840,825	263,852,571	48,244,650	-
Operating Expenses	(175,686,798)	(180,979,598)	(120,819,558)	(54,305,979)	-
Profit from Operation	234,079,380	185,861,227	143,033,013	(6,061,329)	-
Other Income	933,915	-	-	-	-
Finance Cost	(178,779,759)	(97,940,475)	(96,464,826)	(38,098,942)	-
Contribution to WPPF	(2,679,674)	(4,186,702)	-	-	-
Profit Before Tax	53,593,482	83,734,050	46,568,187	(44,160,271)	-
Income tax (expense)/Benefit	(9,170,129)	(37,642,100)	(16,298,866)	15,456,095	-
Profit After Tax	44,423,353	46,091,950	30,269,321	(28,704,176)	-

*(The Company has started its commercial operation from 17 September 2015).

Share capital:

Authorized share capital of the Company stood at BDT 2,000.00 million and paid up capital stood at BDT 1,150.00 million respectively and the number of shares are 115.00 million at the end of financial year ended June 30, 2019.

Dividend:

On the basis of the performance of the Company and the current capital market scenario, the Board has recommended 5% Stock Dividend for the shareholders for the financial year 2018-2019, subject to the approval of the shareholder in the 10th Annual General Meeting of the Company scheduled to be held on 26 December 2019. According to the recommendation, the proposed stock dividend is 5.75 million shares. The Dividend is the first dividend of 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.

Statement on 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.

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.

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 2019,
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019,
- iii) Statement of Changes in Equity for the year ended 30 June 2019,
- iv) Statement of Cash Flows for the year ended 30 June 2019,
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2019.

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 has adequate resources to continue in operation for the foreseeable future and has wide coverage of its 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.

Reporting period :

The financial statement of the company covers twelve months from 01 July 2018 to 30 June 2019.

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.

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 09th Annual General Meeting by the shareholders and upon completion of two years they applied for re-appointment for the next year. As such, the Board of Directors recommended M/S Mahfel Huq & Co., Chartered Accountants for re-appointment as external auditor for the another year that is financial year 2019-2020 subject to approval of the Shareholders in the ensuing 10th AGM of the Company scheduled to be held on 26 December 2019.

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 Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on yearly basis. Consequently, three audit firms have expressed their interest to become the auditor for the year ended June 30, 2019. Among the three firms 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 2019. 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 Guidelines of Bangladesh Securities & Exchange Commission.

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 10th Annual General Meeting. The retiring Directors are Mrs. Lucy Akhtary Mahal and Mr. Md. Ekramul Hoque.

Election / re-election of the Directors :

Being eligible, Mrs. Lucy Akhtary Mahal, shareholder director holding 2.04% share of the paid share capital (2,350,000 number of ordinary share) and Mr. Md. Ekramul Hoque shareholding director holding 2.09% share of the paid share capital (2,400,000 number of ordinary share) offered themselves for re-election.

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.

Board Meeting:

The Board meets regularly to discharge its duties effectively eight (08) meetings of the Board of Directors were held during the year 2018-2019 and the gap between two meetings did not exceed three months. The annexure-III shows the attendance record of the Board meetings held during the year. 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.

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 2018-2019 the committee has conducted 04 (four) 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) 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 Nomination and Remuneration Committee. The Committee has been constituted by the Board of Directors to assist 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 2018-2019 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 strategy. 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 included in this annual report 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 time 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 2018 to 30 June 2019 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.seapearlbdd.com.

Code of Ethics and Compliance with the Law:

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sea Pearl Beach Resort & Spa Limited. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations and this is being followed by the Company. Independent Corporate Governance Compliance Auditor M/S. Mahfel Huq & Co, Chartered Accountant appointed by the Board to conduct Corporate Governance Compliance Certification as per requirement of Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/S. Mahfel Huq & Co, Chartered Accountant after their examination issued a Compliance certificate which has been shown in page-100 of the Annual Report. As an organization, our values include integrity, self-determination and valuing people. Our company has specified corporate values and stipulated a code of ethics for employees, ensuring that the latter maintain the highest integrity and comply with the relevant laws and ethical principles. Therefore, the Company considers the significance of ethical, human and environmental matters in the conduct of its business.

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 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.

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 attract the local & foreign tourists.

Sea Pearl Beach Resort & Spa Limited has planned to open 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 a 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.

As per the new Corporate Governance Code issued on 03 June 2019 by Bangladesh Securities and Exchange Commission (BSEC), the directors make additional statements (as per condition # 5) and furnish compliance report (as per condition # 9) and the section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) in Annexure-1 and Annexure-II respectively attached herewith.

We thank our customers, vendors, travel agents, investors, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, CDBL, National Board of Revenue, RJSC, various government authorities, business associates, issue managers and bankers for their continued support, co-operation and guidance in our business endeavor during the year. We place on record our appreciation for the contribution made by employee at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support. We are very proud of what we have achieved and as always, is grateful to all those who contributed to the success of our Company. We are very confident that our Company's best days are ahead.



Mrs. Lucy Akhtary Mahal
Chairperson

(Additional Statements by the Board of Directors as per Corporate Governance Code notification dated June 03, 2018 of Bangladesh Securities and Exchange Commission):

(i) 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. It generated 125,000 international tourists in 2014 and international tourism generated US\$ 1.5 trillion in export earnings and international tourist arrivals grew by 4.3% in 2014 to 1.133 billion.

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 BDT427.5bn (USD 5,310.4mn), 2.2% of total GDP in 2017 and is forecasted to rise by 6.1% in 2018, and to rise by 6.2% pa, from 2018-2028, to BDT824.0bn (USD10,235.7mn), 2.1% of total GDP in 2028. The total contribution of Travel & Tourism to GDP was BDT850.7bn (USD10,567.4mn), 4.3% of GDP in 2017, and is forecast to rise by 6.4% in 2018, and to rise by 6.8%pa to BDT1,753.1bn (USD21,777.6mn), 4.6% of GDP in 2028.

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 main road block due to construction and tough competition, Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2018-2019. The Company has been able to keep up strong position in all areas covering good asset quality, sound management, good earnings 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. 234,079,380 by the efficient operation and dynamic management of Sea Pearl Beach Resort & Spa Limited as compared to other hotels in Cox's Bazar. I would like to congratulate each and every official and employee of the Royal Tulip Sea Pearl Beach Resort & Spa without whom this performance would not have been possible.

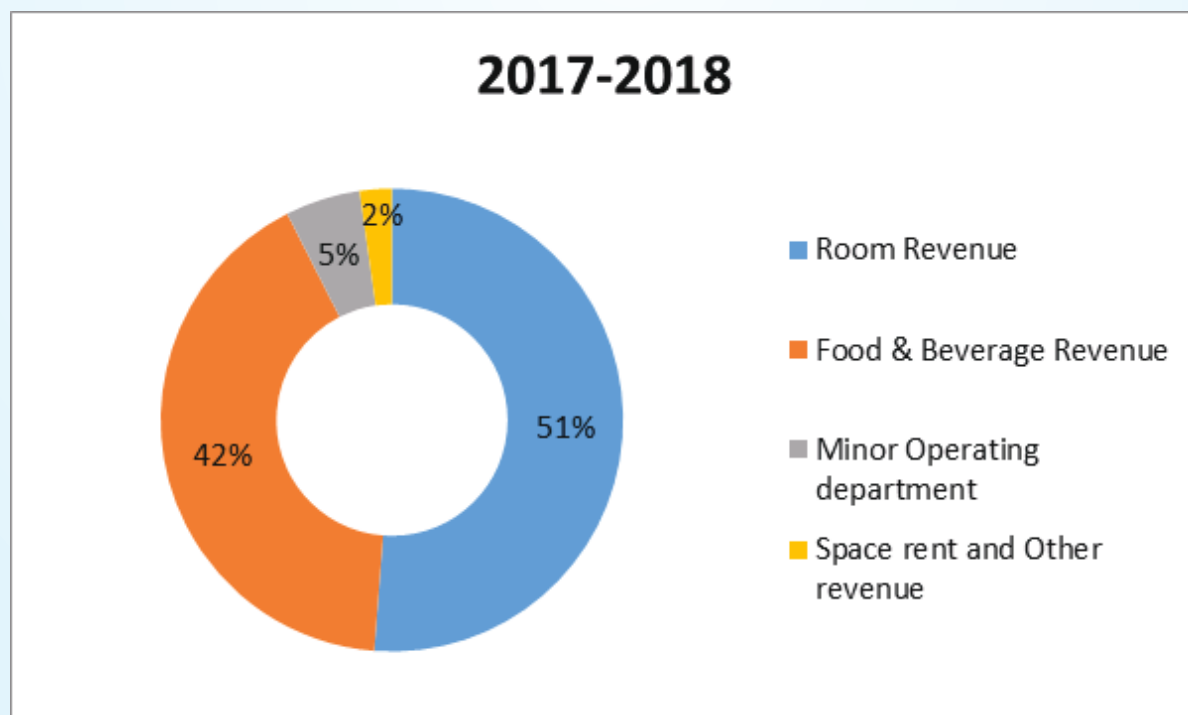
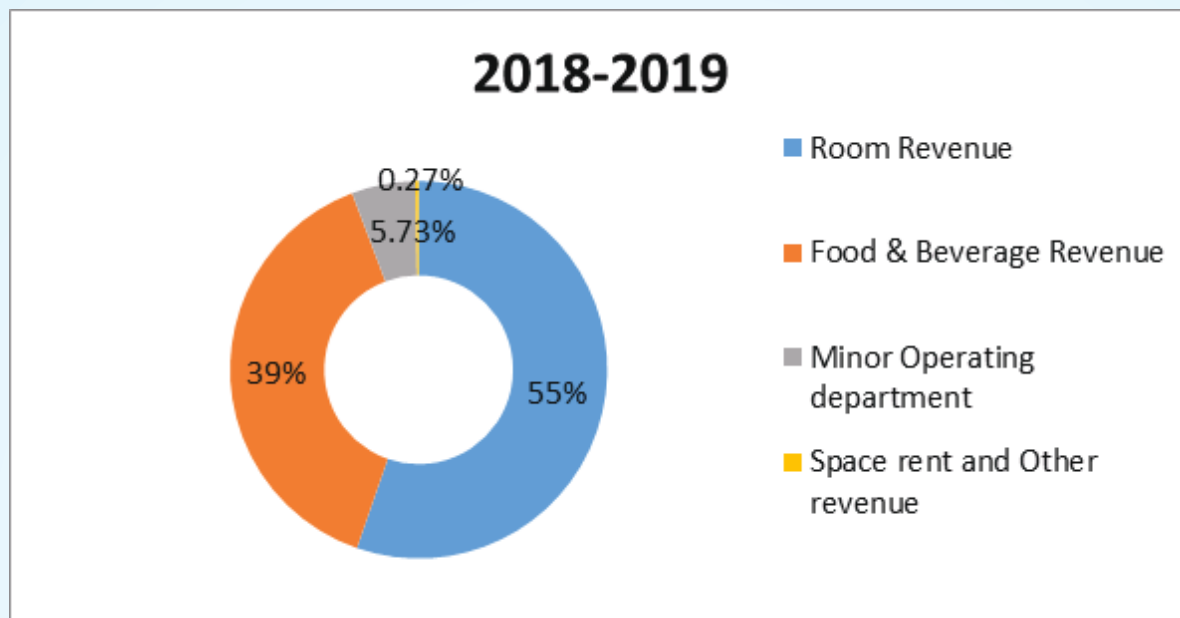
In the Cox's Bazar area hospitality industry has become very competitive like many other industries, couples of new famous brand hotels with huge number of keys have recently been added. We are very vigilant about the future state of competition and have prepared ourselves to face the new competitors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

(i) Segment-wise or product-wise performance

Name of the Segment	2018-2019		2017-2018	
	Amount in Tk.	% of total revenue	Amount in Tk.	% of total revenue
Room Revenue	283,611,245	55.31%	240,189,758	51.22%
Food & Beverage Revenue	199,711,043	38.95%	193,584,090	41.29%
Minor Operating Department	28,066,801	05.47%	24,635,511	5.25%
Space rental and other revenue	1,404,984	0.27%	10,486,017	2.24%
Total Revenue	512,794,073	100%	468,895,376	100%

Segmental Revenue Graph



(iii) Risks and concerns:

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

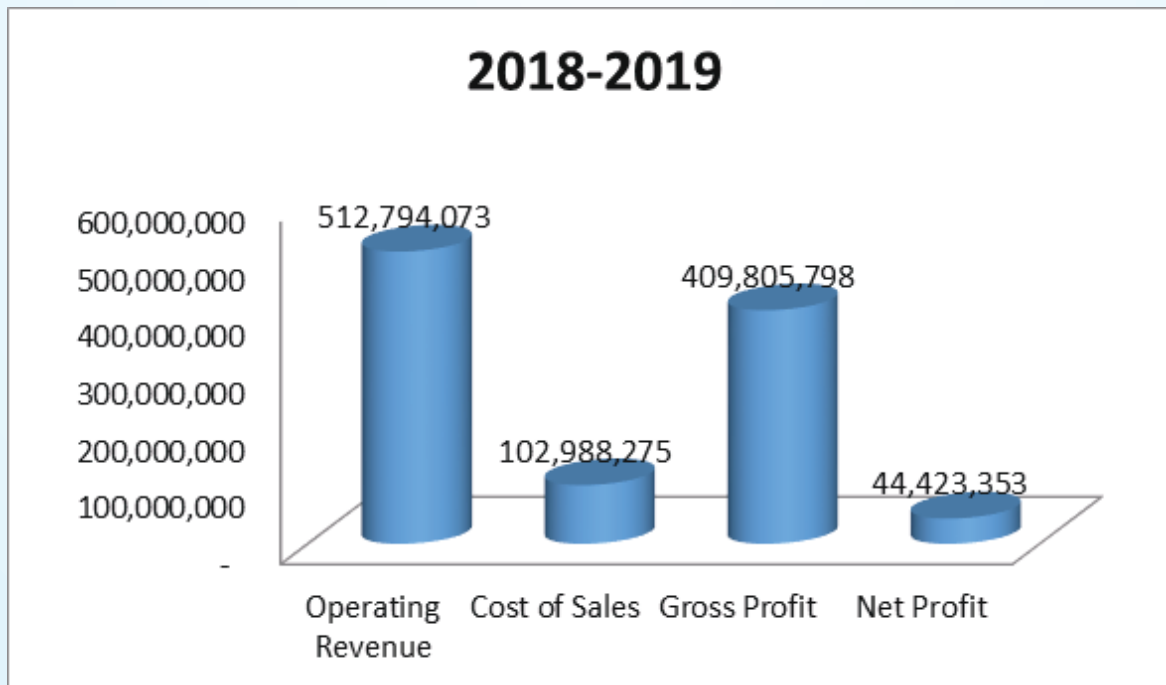
Non-availabilities of materials/equipment/services may affect the smooth operational activities of the Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception:

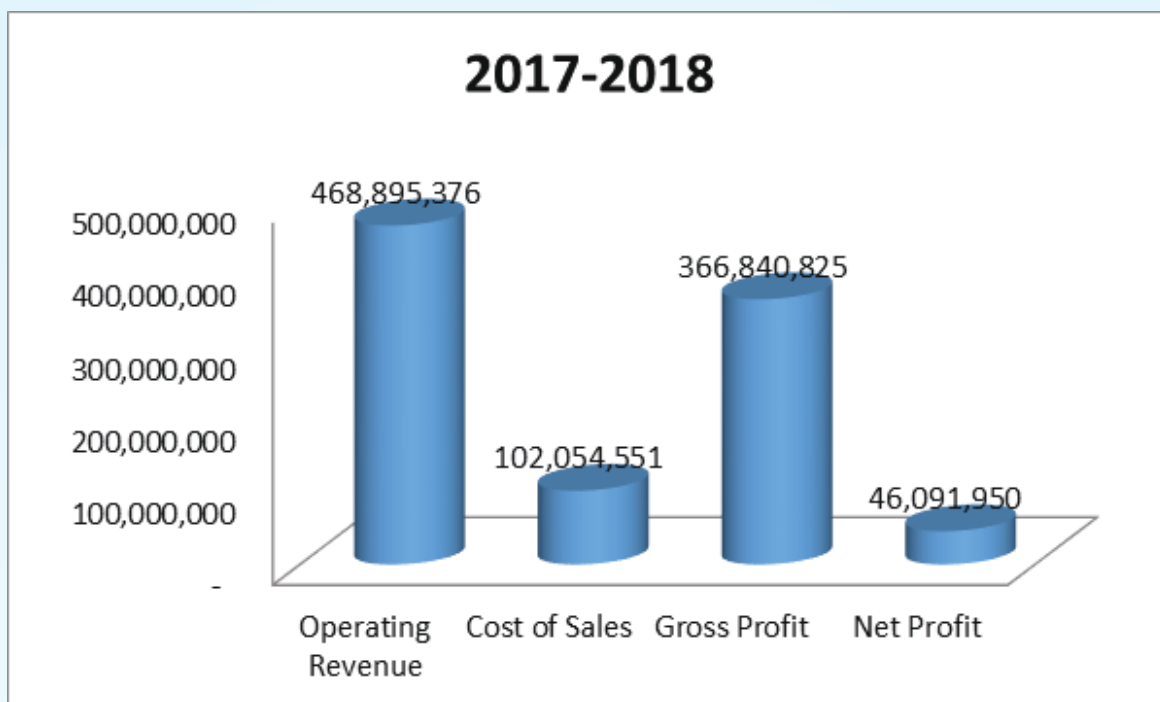
The Company is equipped with power backup and security (CCTV) systems, which reduce operational risk. Besides, the equipment is under Insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine security check and proper maintenance of the equipment also reduce/eliminate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

(iv) Operating Revenue, Cost of Goods sold, Gross Profit and Net Profit:

Particulars	2018-19	2017-18
Operating Revenue	512,794,073	468,895,376
Cost of goods sold	102,988,275	102,054,551
Gross Profit	409,805,798	366,840,825
Net Profit	44,423,353	46,091,950



During the year operating revenue and operating Profit gross profit increased but net profit decreased due to higher finance cost and increased number of share. The Operating results has improved due to higher operating profit.



(v) Continuity of Extra-ordinary Gain or loss:

No Extra-Ordinary gain or loss arising from Investment activities in the financial year from 01 July 2018 to 30 June 2019 (12 months).

(vi) 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".

(Amount in Taka)

Name of the Party	Relationship	Nature of Transaction	Balance as on 30 June 2019		
			Opening Balance Cr.	Transaction during the year (Dr.)/Cr.	Closing Balance
Bengal Vacation Club Limited	Common Management	Intercompany transaction	3,944,811	(3,944,811)	-
Total			3,944,811	(3,944,811)	-

(Amount in Taka)

Name of the Party	Relationship	Nature of Transaction	Balance as on 30 June 2018		
			Opening Balance Cr.	Transaction during the year (Dr.)/Cr.	Closing Balance Cr.
Shamim Enterprise (Pvt.) Limited	Common Management	Share money deposit	414,830,000	(414,830,000)	-
Shamim Enterprise (Pvt.) Limited	Common Management	Construction payment	-	(31,472,500)	-
Bengal Vacation Club Limited	Common Management	Share money deposit	72,169,495	(72,169,495)	-
Bengal Vacation Club Limited	Common Management	Intercompany transaction	-	3,944,811	3,944,811
Shamim Enterprise Properties Limited	Common Management	Intercompany transaction	-	(3,971,000)	-
Total			486,999,495	(518,498,184)	3,944,811

- (vii) Utilization of Proceeds from Public Issue, right issue and/or through any others instruments:
Sea Pearl Beach Resort & Spa Limited has raised share capital worth Tk.15.00 crore through Initial Public Offering (IPO) in order to make Interior, finishing, furniture & fixture and acquisition of land and to meet up the IPO expenses. The proceeds of the issued share capital have not been utilized upto 30 June 2019. Subsequently, the proceeds have been utilized.
- (viii) That, there are no significant variations after the company go for Initial Public Offering (IPO) in the financial results. No such variations occurred.
- (ix) 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.
- (x) A Statement of remuneration paid to the directors including independent directors.

The Company has yet to fixed the remuneration of the directors including independent directors.

Remuneration of Managing Director, Directors and Independent Director from 01 July 2018 to 30 June 2019 as follows:

SL #	Name	Designation	Nature of Transaction
01.	Mrs. Lucy Akhtary Mahal	Chairman	-
02.	Md. Aminul Haque	Managing Director	-
03.	Md. Ekramul Hoque	Director	-
04.	Sarjana Islam (Nominated by Shamim Enterprise (Pvt.) Ltd.)	Nominee Director	-
05.	Md. Rafiqul Islam	Independent Director	-
06.	Md. Golam Rabbani	Independent Director	-

- (xi) The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (xii) Proper books of account of the Company have been maintained.
- (xiii) 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.
- (xiv) The International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- (xv) The system of internal control is sound in design and has been effectively implemented and monitored.
- (xvi) Minority shareholders have been protected from abusive action.
- (xvii) There are no significant doubts upon the Company's ability to continue as a going concern.
- (xviii) There are no significant deviations from last year in operating results.

(xix) Summary of key operating and financial data of preceding five years:

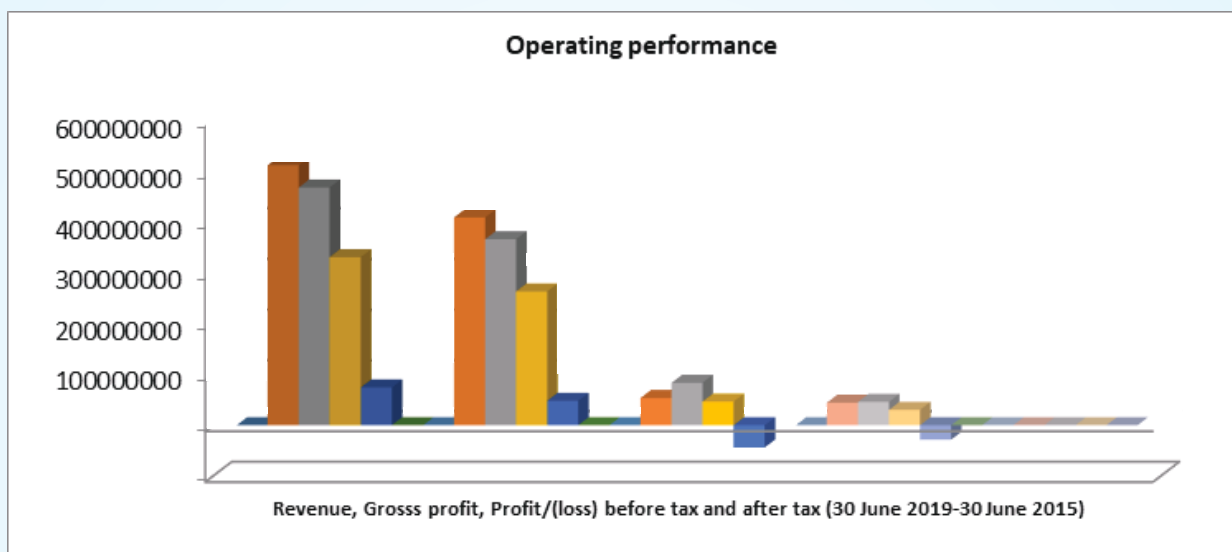
A) Key financial position for the last 05 (five) years of the company are as follows:

Particulars	Amount in Taka				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
NON-CURRENT ASSETS					
Property, Plant & Equipment	2,792,735,668	2,825,715,149	1,829,024,264	985,360,383	-
Capital Work in Progress	1,993,090,240	1,505,295,604	2,214,225,057	2,745,579,867	2,823,933,453
Deferred Tax Assets	-	-	-	15,456,095	-
Preliminary Expenses	-	-	-	92,000	92,000
Pre-Operating Expenditures	-	-	-	196,606	196,606
Total Non-Current Assets	4,785,825,908	4,331,010,753	4,043,249,321	3,746,684,951	2,824,222,059
CURRENT ASSETS					
Stock of Construction Material	20,977,580	25,417,104	19,580,024	15,380,536	21,380,536
Inventories	23,738,936	20,502,060	4,250,966	1,177,014	-
Accounts receivables	32,369,108	69,711,187	7,163,467	2,977,846	-
Advances, Deposits & Prepayments	141,325,684	109,674,605	44,014,405	125,245,355	384,589,249
Cash and Cash Equivalents	99,443,690	230,964,572	10,918,165	12,572,718	148,547,708
Total Current assets	427,680,181	456,269,527	85,927,027	157,353,469	554,517,493
TOTAL ASSETS	5,213,506,089	4,787,280,280	4,129,176,348	3,904,038,421	3,378,739,552
EQUITY & LIABILITIES					
Equity attributable to share holders					
Share Capital	1,150,000,000	1,000,000,000	85,000,000	62,500,000	62,500,000
Retained earnings	75,567,748	47,657,095	1,565,145	(28,704,176)	-
Total Shareholder's equity	1,225,567,748	1,047,657,095	86,565,145	33,795,824	62,500,000
NON-CURRENT LIABILITIES					
Non-current portion of Secured Term Loan	8,059,350	22,362,448	3,202,870,765	2,465,329,000	2,848,451,869
SPBRSL 20% Convertible Secured Bond	3,393,506,700	3,472,159,066	-	-	-
Share Money Deposit	-	-	486,999,495	509,499,495	427,330,000
Deferred tax liabilities	34,434,844	28,579,971	842,771	-	-
Total non-current liabilities	3,436,000,894	3,523,101,485	3,690,713,031	2,974,828,495	3,275,781,869
CURRENT LIABILITIES					
Current portion of Secured term loan	13,888,862	12,819,436	147,543,985	653,781,767	-
SPBRSL 20% Convertible Secured Bond	439,613,308	-	-	-	-
Short Term borrowings	13,722,116	113,385,751	136,714,545	130,123,928	-
Accounts Payable	31,001,114	49,108,173	58,203,186	95,500,329	39,438,044
Accruals and Provisions	53,712,047	41,208,339	9,436,456	16,008,078	1,019,639

B) The summary of operating performance of the company (30 June 2015 to 30 June 2019) was as follows:

(Amount in Taka)

Particulars	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	512,794,073	468,895,376	331,565,052	74,597,418	-
Gross Profit	409,805,798	366,840,825	263,852,571	48,244,650	-
Profit/(Loss) Before Tax	53,593,482	83,734,050	46,568,187	(44,160,271)	-
Net profit/(Loss) after Tax	44,423,353	46,091,950	30,269,321	(28,704,176)	-



C) The statement of operating results of the company is as follows:

	Amount in Taka				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	512,794,073	468,895,376	331,565,052	74,597,418	-
Less: Cost of Sales	102,988,275	102,054,551	67,712,481	26,352,768	-
Gross Profit	409,805,798	366,840,825	263,852,571	48,244,650	-
Less: Administrative and other expenses	166,958,928	176,765,201	117,591,372	52,531,537	-
Distribution & Selling expense	8,727,870	4,214,397	3,228,186	1,774,442	-
Operating Profit/(Loss)	234,079,380	185,861,227	143,033,013	(6,061,329)	-
Other Income	933,915	-	-	-	-
Less: Finance Cost	178,779,759	97,940,475	96,464,826	38,098,942	-
Profit/(Loss) Before Tax & WPPF	56,273,156	87,920,752	46,568,187	(44,160,271)	-
Less: Worker profit participation Fund	2,679,674	4,186,702	-	-	-
Profit/(Loss) Before Tax	53,593,482	83,734,050	46,568,187	(44,160,271)	-
Income tax (expanse)/ Benefit	(9,170,129)	(37,642,100)	(16,298,866)	15,456,095	-
Profit/(Loss) After Tax	44,423,353	46,091,950	30,269,321	(28,704,176)	-

The Company has started its commercial operation from 17 September 2015.

D) Dividend

Particulars	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Cash dividend	-	-	-	-	-
Stock dividend	-	-	-	-	-
The Board of Directors has recommended bonus/stock dividend @ 05% for the year 2018-2019 for the year ended 30 June 2019					

- (XX) An explanation on the reasons if the company has not declared dividend (Cash or Stock) for the year. Not Applicable.
- (XXi) Board's statement to the effect that no bonus or stock dividend has been or shall be declared as interim dividend. Not Applicable.
- (XXii) Number of Board meetings held during the year 01 July 2018 to 30 June 2019 and attendance by each director:

SL No.	Meeting No.	Date of Meeting
01.	44 th Board Meeting	19 July 2018
02.	45 th Board Meeting	27 September 2018
03.	46 th Board Meeting	29 October 2018
04.	47 th Board Meeting	10 November 2018
05.	48 th Board Meeting	01 December 2018
06.	49 th Board Meeting	28 January 2019
07.	50 th Board Meeting	25 April 2019
08.	51 th Board Meeting	25 May 2019
09.	52 th Board Meeting	23 May 2019

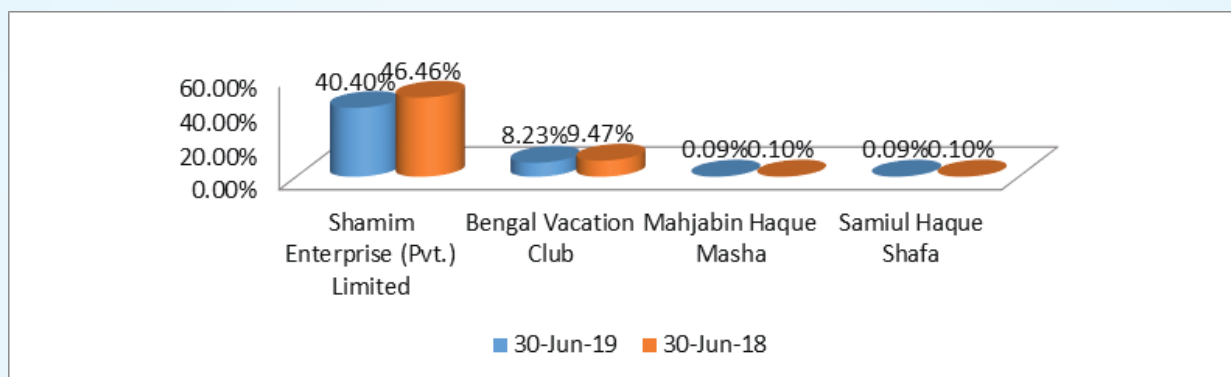
The Directors attendance to the Board of Directors Meetings is as follows:

Sl. No.	Name	Designation	Attendance
01.	Mrs. Lucy Akhtary Mahal	Chairman	6
02.	Md. Aminul Haque	Managing Director	9
03.	Md. Ekramul Hoque	Director	6
04.	Sarjana Islam (Nominated by Shamim Enterprise (Pvt.) Ltd.)	Nominee Director	7
05.	Md. Rafiqul Islam	Independent Director	8
06.	Md. Golam Rabbani	Independent Director	7

(xxiii) The Pattern of Shareholding

(a) Parent/Subsidiaries and other related parties:

Sl. No.	Name of Shareholders	As on June 30 2019		As on June 30 2018	
		No. of Shares held	% of holding	No. of Shares held	% of holding
01.	Shamim Enterprise (Pvt.) Limited	46,458,000	40.40%	46,458,000	46.46%
02.	Bengal Vacation Club	9,466,949	8.23%	9,466,949	9.47%
03.	Mahjabin Haque Masha	100,000	0.09%	100,000	0.10%
04.	Samiul Haque Shafa	100,000	0.09%	100,000	0.10%
	Total	56,124,494	48.81%	56,124,494	56.13%



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

Sl. No.	Name of Shareholders	Designation	As on June 30 2019		As on June 30 2018	
			No. of Shares held	% of holding	No. of Shares held	% of holding
01.	Mrs. Lucy Akhtary Mahal	Chairperson (Sponsor Director)	23,50,000	2.04%	23,50,000	2.35%
02.	Md. Aminul Haque	Managing Director (Sponsor Director)	26,50,000	2.30%	26,50,000	2.65%
03.	Md. Ekramul Hoque	Nominee Director	24,00,000	2.09%	24,00,000	2.40%
04.	Mrs. Sarjana Islam	Nominated by Shamim Enterprise (Pvt.) Ltd.	-	-	-	-
	Shamim Enterprise (Pvt.) Ltd.	Sponsor Director	4,64,58,000	40.40%	4,64,58,000	46.46%
05.	Md. Rafiqul Islam	Independent Director	-	-	-	-
06.	Md. Golam Rabbani	Independent Director	-	-	-	-
07.	AHM Mokbul Hossain	Chief Executive Officer	1,00,000	0.09%	1,00,000	0.10%
08.	Mizanur Rahman	Chief Financial Officer	3,50,000	0.30%	3,50,000	0.35%
09.	Md. Azaharul Mamun	Company Secretary	2,00,000	0.20%	2,00,000	0.17%
Total			54,5,08,000	47.42%	54,5,08,000	54.48%

(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 2019		As on 30 June 2018	
		No. of Shares Held	% of holding	No. of Shares Held	% of holding
01.	Shamim Enterprise (Pvt.) Ltd.	4,64,58,000	40.40%	4,64,58,000	46.46%
Total		4,64,58,000	40.40%	4,64,58,000	46.46%

(xxiv) Appointment / Re-appointment of Directors:

Mrs. Lucy Akhtary Mahal

Chairperson

Mrs. Lucy Akhtary Mahal, daughter of Mr. Altaf Hossain and Mrs. Sayeda Gulzar Ma hal 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 its 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 reputed 1" Class 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. Ekramul Hoque

Director

Md. 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. Md. 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 position of Shamim 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 or 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. Md. 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.

(xxv) A Management's 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 statements, among others. Page no-18.

(xxvi) Declaration or clarification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A, Page no-118.

(xxvii) The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per Annexure-B Page-119 and Annexure-C, Page no-120 to 127.

PRODUCT & SERVICES



SEA SIDE VIEW

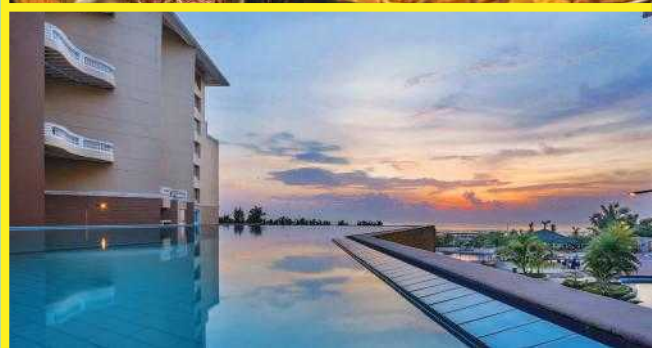
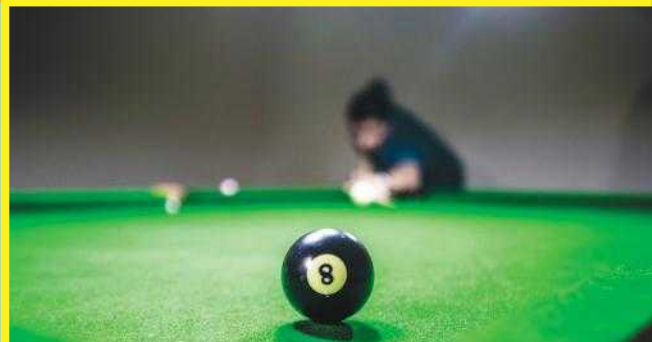


HILL SIDE VIEW



ROYAL TULIP LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH



Facilities

- 493 Rooms & Suites
- Multiple Meeting Venues
- Multi-Cuisine Food & Beverage Outlets
- Swimming Pools
- Amphitheatre and Private Beach
- Movies, Gaming Parlor & Kids Play Zone
- Beach Sports & Activities
- Spa & Wellness Center

www.seapearlcoxsbar.com



LOBBY



MEETING VENUE



PRESIDENTIAL SUITE



PARADISE SUITE



PARADISE SUITE



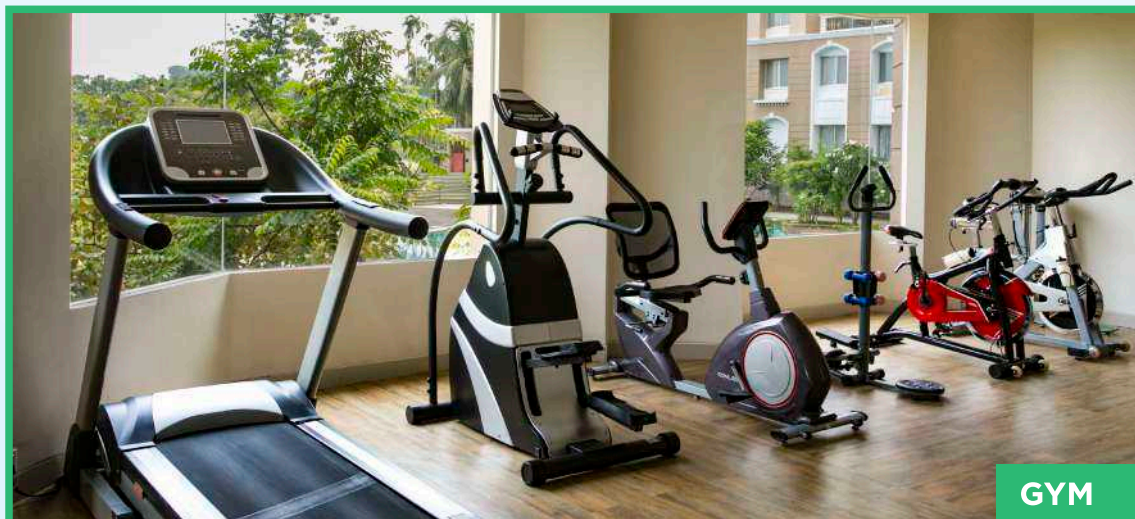
ROYAL FAMILY SUITE



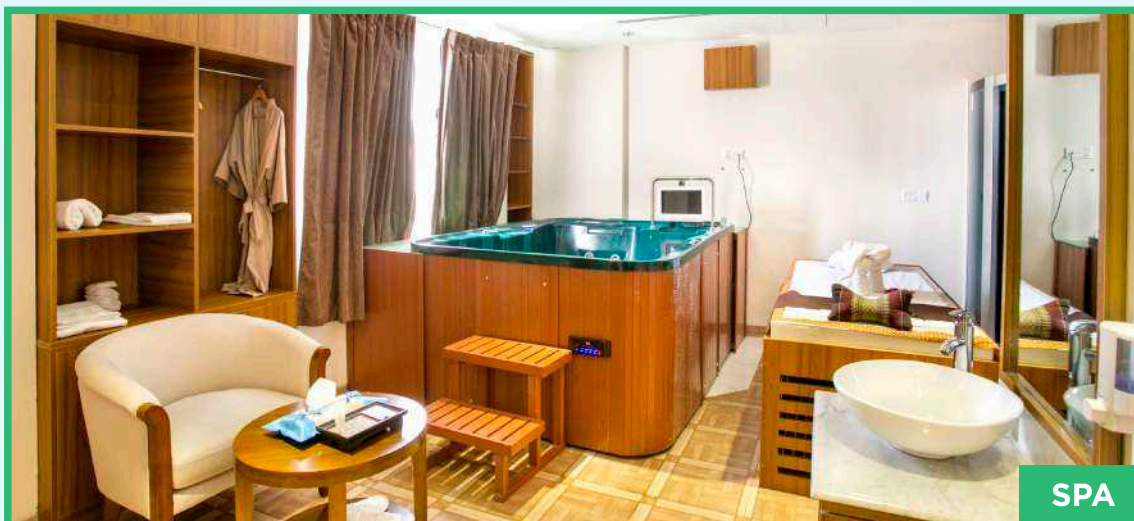
STUDIO SEA VIEW



SUPERIOR SEA VIEW



GYM







LEMONGRASS



FISH & GRILL



GYM



TENNIS COURT



KIDS ZONE



DESTINATION BEACH WEDDING PROGRAM





SAFINAH

An Exclusive Largest Pillarless Banquet Hall
Offers a Flexible Seating upto 1000 Persons in Various Styles



THE IMPERIAL



ROYAL TULIP
LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH

make your
luxury
stay
affordable

0 EMI
upto 6 months

Partners Bank



ROYAL TULIP
LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH



**NOW ACCESSIBLE FOR ALL
HALF DAY PACKAGE
@ 2000**

- SHUTTLE SERVICE FROM COX'S BAZAR
- WELCOME DRINK ON ARRIVAL
- LUNCH @ KASBAH RESTAURANT
- SWIMMING POOL FOR 2 HOURS
- ACCESS TO THE PRIVATE BEACH
- GYM FOR 1 HOUR

@resv.coxsbazar@royaltulipbangladesh.com

+88-01970660066,+88-01844016001

* Terms & Conditions Apply



KASBAH





COMBO

STARTING
FROM BDT
599++



LUNCH

1500 AI

DINNER

1626 AI



KASBAH

All Day Dining Buffet Restaurant



ROYAL TULIP
LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH



KASBAH

BUFFET

LUNCH

1500 AI
BDT

DINNER

1626 AI
BDT

DOWNLOAD
OUR APP &
GET DISCOUNT





*Blends Pan-Asian cuisine
with ample culinary flair*



LEMONGRASS



*Outdoor Bar-be-que restaurant,
Live kitchen, International
favourites Western grill, Asian
bar-be-que and the best of
Mediterranean*

Fish n Grill
OUTDOOR BAR-BE-QUE RESTAURANT



WAVES

BEACH BBQ

BDT **1961** PER PERSON

THURSDAY . FRIDAY . SATURDAY



ROYAL TULIP
LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH



TOURIST PLACE ④ COX'S BAZAR

ST. MARTIN'S ISLAND

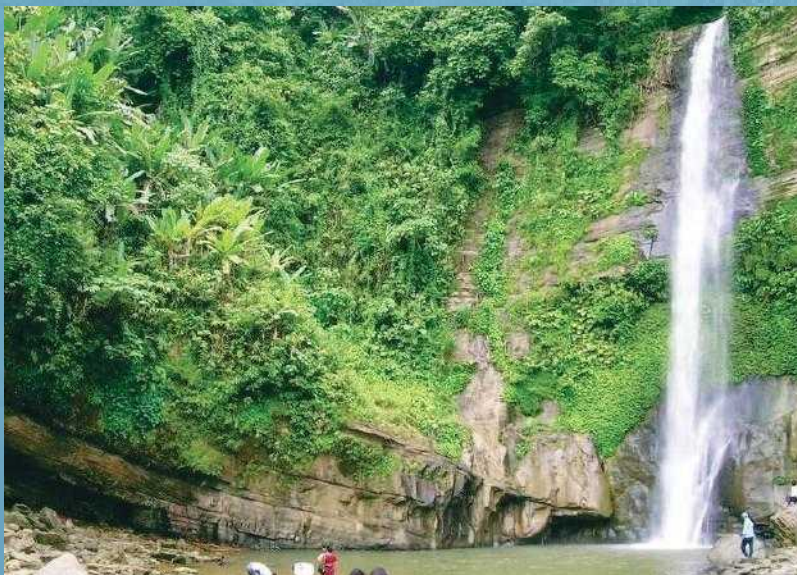
Coral island with
live corals and
pristine beaches





MOHESHKHALI

Exquisite island
with Shiva shrine,
Buddhist temple
and Pagoda



HIMCHORI

Fresh Waterfalls
National Park and
Broken Hill attractions



Beach Rides



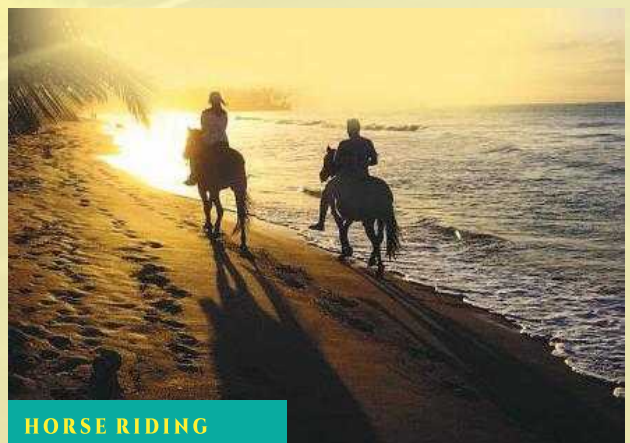
BEACH BIKE



SURFING



BIKE RIDING



HORSE RIDING

Beach Activities



JET SKI



PARASAILING



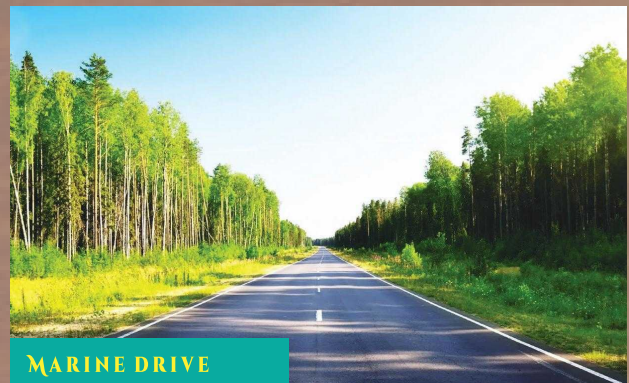
BEACH VOLLEYBALL



BEACH FOOTYBALL



BEACH CRICKET



MARINE DRIVE



HILL TREKKING



CAMPFIRE

ACHIEVEMENT



ACHIEVEMENT



MANAGEMENT REPORT

Dear Respected Board of Directors and Shareholders,
Assalamualaikum,

The Management of the Company is pleased to present the Management Report for the financial year 2018-2019 and financial performance of Sea Pearl Beach Resort & Spa Limited for the financial year ended on 30 June 2019 to the respected directors and shareholders.

About the Industry

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 main road block due to construction and tough competition, Sea Pearl Beach Resort & Spa Limited continued to perform well during the financial year 2018-2019. The Company has been able to keep up strong position in all areas covering good asset quality, sound management, good earnings 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. 234,079,380 by the efficient operation and dynamic management of Sea Pearl Beach Resort & Spa Limited as compared to other hotels in Cox's Bazar. I would like to congratulate each and every official and employee of the Royal Tulip Sea Pearl Beach Resort & Spa without whom this performance would not have been possible.

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.

Statement on compliance

We have been prepared the Company's financial statements 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	Leases	17	Complied
9	Employee Benefits	19	Complied
10	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
11	The Effects of Changes in Foreign Exchange Rates	21	Complied
12	Borrowing Costs	23	Complied
13	Related Party Disclosures	24	Complied
14	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
15	Separate Financial Statements	27	Not Applicable
16	Investments in Associates and Joint Ventures	28	Not Applicable
17	Financial Reporting in Hyperinflationary Economies	29	Not Applicable
18	Financial Instruments: Presentation	32	Complied
19	Earnings Per Share	33	Complied
20	Interim Financial Reporting	34	Not Applicable
21	Impairment of Assets	36	Complied
22	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
23	Intangible Assets	38	Complied
24	Financial Instruments: Recognition and Measurement	39	Complied
25	Investment Property	40	Not Applicable
26	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

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.

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 2019,
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019,
- iii) Statement of Changes in Equity for the year ended 30 June 2019,
- iv) Statement of Cash Flows for the year ended 30 June 2019,
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2019.

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 period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

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 has adequate resources to continue in operation for the foreseeable future and has wide coverage of its 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.

Related party transactions:

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 disclosed in accordance with the provisions of IAS-24- "Related Party Disclosure".

Reporting period

The financial statements of the company cover twelve months from 01 July 2018 to 30 June 2019.

Financial Performance

The Company earned the operating profit of Tk. 234,079,380 by the efficient operation and dynamic management. The Directors take pleasure in reporting the financial performance of Sea Pearl Beach Resort & Spa Limited for the financial year ended 30 June 2019 with the preceding four years financial performance as below:

Particulars	Amount in Taka				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Operating Revenue	512,794,073	468,895,376	331,565,052	74,597,418	-
Less: Cost of Sales	102,988,275	102,054,551	67,712,481	26,352,768	-
Gross Profit	409,805,798	366,840,825	263,852,571	48,244,650	-
Less: Administrative and other expenses	166,958,928	176,765,201	117,591,372	52,531,537	-
Less: Distribution & Selling expense	8,727,870	4,214,397	3,228,186	1,774,442	-
Operating Profit/(Loss)	234,079,380	185,861,227	143,033,013	(6,061,329)	-
Other Income	933,915	-	-	-	-
Less: Finance Cost	178,779,759	97,940,475	96,464,826	38,098,942	-
Profit/(Loss) Before Tax & WPPF	56,273,156	87,920,752	46,568,187	(44,160,271)	-
Less: Worker profit participation Fund	2,679,674	4,186,702	-	-	-
Profit/(Loss) Before Tax	53,593,482	83,734,050	46,568,187	(44,160,271)	-
Income tax (expense)/Benefit	(9,170,129)	(37,642,100)	(16,298,866)	15,456,095	-
Profit/(Loss) After Tax	44,423,353	46,091,950	30,269,321	(28,704,176)	-

Particulars	2018 - 2019	2017 - 2018
Operating Revenue	512,794,073	468,895,376
Cost of Sales	(102,988,275)	(102,054,551)
Gross Profit	409,805,798	366,840,825
Profit before tax	53,593,482	83,734,050
Net Profit after tax	44,423,353	46,091,950
Earnings per share (EPS)	0.44	0.67



Performance with the brethren industry

The Royal Tulip Cox'sbazar still stands in first position in the cox'sbazar 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'sbazar area.

In the Cox'sbazar area hospitality industry has become very competitive like many other industries as a 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'sbazar" as the Resort of "First choice" for the foreign and local quests.

Inflation effects

The country's current year inflation rate is 5.90% (2019) against 5.96% (2018) last year and forecasted 6.50% in the year 2020. On the other hand the country's GDP growth rate is 7.1% in the year 2018 which forecasted for 2019 is 7.3% which is much higher than the inflation rate.

The hotel has successfully recovered from the declining revenue trend affect by the holy artisan incident. The upward trend of revenue maintained at 21% at the yearend which is about 36 crores. Gross profit at the same time has increased by 22%.

Bangladesh GDP growth for the year 2019 forecasted at 7.5% whereas the world GDP has forecasted at 3.3% by IMF. Due to the investment friendly environment this region has become the first choice of the investors. World biggest conglomerates are approaching for its plant set up in the area of power plant, garments, shipyard, and motor cycle fabrication etcetera in Bangladesh. The demand of five star hotel and resort will be more to accommodate the needs of investors and affiliates personnel in near future.

Dividend:

On the basis of the performance of the Company and the current capital market scenario, the Board has recommended 5% Stock Dividend for the shareholders for the financial year 2018-2019, subject to the approval of the shareholder in the 10th Annual General Meeting of the Company scheduled to be held on 26 December 2019. According to the recommendation, the proposed stock dividend is 5.75 million shares. The Dividend is the first dividend of 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.

Risks and concerns:

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.

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.

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.

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.

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.

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 included in this annual report 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.

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.

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.

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 2018 to 30 June 2019 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.seapearlbld.com.

Code of Ethics and Compliance with the Law:

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sea Pearl Beach Resort & Spa Limited. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations and this is being followed by the Company. Independent Corporate Governance Compliance Auditor M/S. Mahfel Huq & Co, Chartered Accountant appointed by the Board to conduct Corporate Governance Compliance Certification as per requirement of Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/S. Mahfel Huq & Co, Chartered Accountant after their examination issued a Compliance certificate which has been shown in page-100 of the Annual Report. As an organization, our values include integrity, self-determination and valuing people. Our company has specified corporate values and stipulated a code of ethics for employees, ensuring that the latter maintain the highest integrity and comply with the relevant laws and ethical principles. Therefore, the Company considers the significance of ethical, human and environmental matters in the conduct of its business.

Sustainability Issues

Sea Pearl Beach Resort & Spa limited always concern and believe on the sustainable development of the Company. Upon the prudent guidance of the Board of Directors, the Management of the Company continuously carries out research and development (R&D) to keep pace with the customer choices and fashions. It is emphasizing on volume based strategy for increasing room occupancy as well as enhancing the quality and portfolio of food and beverage that will attract the customers and grab the market share at large. The Company has been practicing the succession planning and talent employee retention policy.

The Board of Directors formed the following sub-committees of the Board of Director to ensure the good corporate governance, sustainability, future performance, continues growth, strong internal control in the Company:

- > Audit Committee (AC)
- > Nomination and Remuneration Committee (NRC)
- > Executive Committee (EC)
- > Risk Management Committee (RMC)
- > CSR Committee

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 attract the local & foreign tourists.

Sea Pearl Beach Resort & Spa Limited has planned to open 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 a 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.

Certification by the Md or CEO and the CFO

The Managing Director and the Chief Financial Officer of the Company declare that,

- (1) The Financial Statements of Sea Pearl Beach Resort & Spa Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), 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 and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (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; and
- (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 30 June 2019 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;

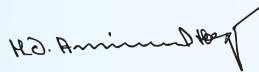
(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of 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.


Gratitude

The Management of the Company expresses their gratitude and thanks to the Board of Directors for their prudent guidance and the whole hearted cooperation of the colleagues in performing the duties and responsibilities. The Management also expresses their sincere gratitude and heartfelt thanks to the shareholders for your trust, faith, confidence, continued support and co-operation throughout the year.

Sincerely yours,



Md. Aminul Haque
Managing Director



Mizanur Rahman
Chief Financial Officer



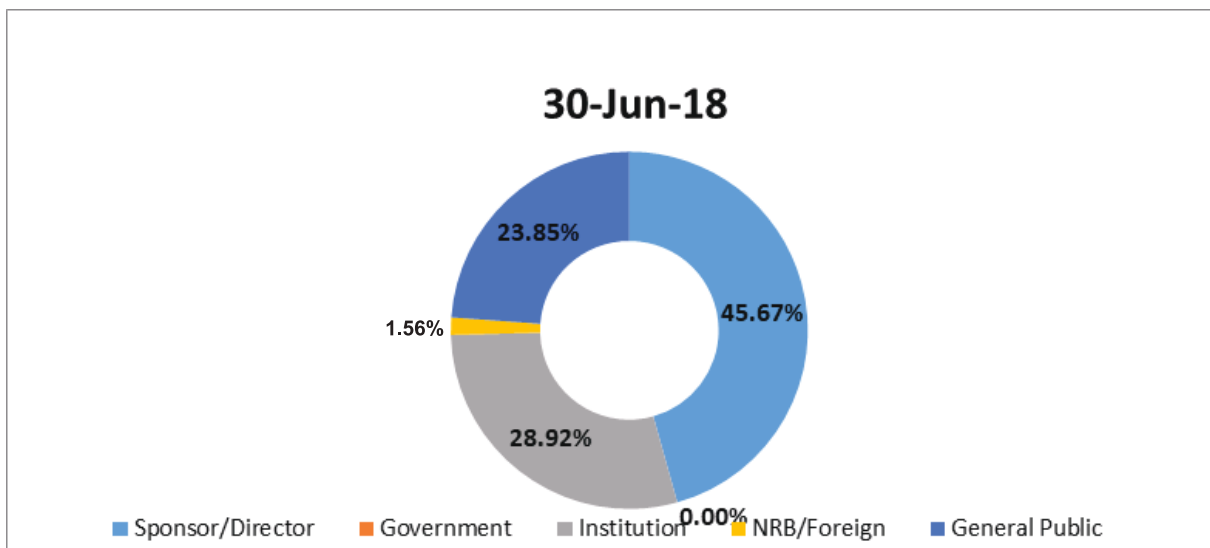
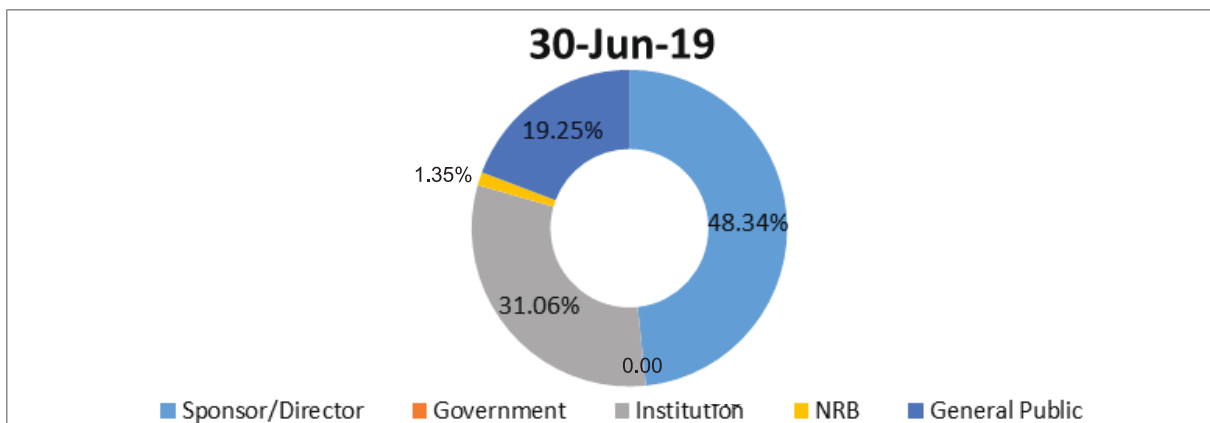
Special Event





Shareholding Composition

Sl.No.	Shareholders Group	As at June 30,2019		As at June 30,2018	
		No. of Share	Percentage (%)	No. of Share	Percentage (%)
01.	Sponsor/Director	142,312,772	48.34%	134,451,528	45.67%
02.	Government	-		-	0%
03.	Institution	91,444,515	31.06%	85,151,006	28.92%
04.	NRB/Foreign	3,967,051	1.35%	4,601,008	1.56%
05.	General Public	56,675,662	19.25%	70,206,458	23.85%
	Total	294,400,000	100%	294,400,000	100%



30 JUNE 2019

Share Holding Range	Number of Share Holders	Percentage of shareholding (%)	Number of Shares
1-499	1	0.00%	497
500-5000	15,002	6.54%	7,525,183
5001-10000	802	5.20%	5,974,320
10001-20000	-	-	-
20001-30000	68	1.30%	1,500,000
30001-40000	1	0.03%	40,000
40001-50000	5	0.22%	250,000
50001-100000	11	0.94%	1,080,000
100001-1000000	28	10.05%	11,560,000
1000001-1000000000	15	75.71%	87,070,000
Total	15,933	100%	115,000,000

TOP 10 SHAREHOLDERS

Sl. No.	Name of Shareholders	30 June 2019		30 June 2018	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	Shamim Enterprise (Pvt.) Limited	46,458,000	40.40%	46,458,000	46.46%
2	Bengal Vacation Club	9,466,949	8.23%	9,466,949	9.47%
3	UDC Construction Ltd	4,900,000	4.26%	4,900,000	4.90%
4	Venus Builders Limited	4,200,000	3.65%	4,200,000	4.20%
5	Sabir Limited	3,000,000	2.61%	3,000,000	3.00%
6	Md. Aminul Haque	2,650,000	2.30%	2,650,000	2.65%
7	Md. Ekramul Hoque	2,400,000	2.09%	2,400,000	2.40%
8	Lucy Akhtary Mahal	2,350,000	2.04%	2,350,000	2.35%
9	Alpha Capital Management Limited	2,000,000	1.74%	2,000,000	2.00%
10	Travel Exchange LTD	2,000,000	1.74%	2,000,000	2.00%
	Total	79,424,949	69.06%	79,424,949	79.43%

AUDIT COMMITTEE



Ms. Sarjana Islam
Member

Mr. Md. Ekramul Hoque
Member

Mr. Md. Rafiqul Islam
Chairperson

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 2019. 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 2019.

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 2018-2019 the committee has conducted 04 (four) meetings.

The Members of the Audit Committee are as follows:

SL#	Name	Designation	Position
01	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
02	Mrs. Sarjana Islam	Director	Member
03	Mr. Md. 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. The Committee conducted (04) meetings during the financial year 2018-2019:

SL No.	Meeting No.	Date of Meeting	Attendance
01.	1 st Audit Committee Meeting	19 July 2018	3
02.	2 nd Audit Committee Meeting	10 November 2018	2
03.	3 rd Audit Committee Meeting	28 January 2019	3
04.	4 th Audit Committee Meeting	25 April 2019	2

Reporting of the Audit Committee

Reporting to the Board of Directors: The Audit Committee reports on its activities to the Board of directors. 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.

Compliance with condition No.1(5) (xxvi) of the Corporate Governance Code issued by Bangladesh Securities & Exchange Commission on June 03, 2018, the MD/CEO and the Chief Financial Officer (CFO) have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended on 30 June 2019, and certified that:

- (i) They have reviewed the financial statements for the year ended on 30 June 2019 and that to the best of their 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 the existing accounting standards and other applicable laws.
- (ii) There are, to the best of 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.

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 2019

Reference to the terms of reference, during the financial year from 01 July 2018 to 30 June 2019, the Audit Committee in its first meeting held on 19 July 2019 reviewed the Annual Financial Statements for the year ended on 30 June 2018. During the meeting the Chief Financial Officer presented the draft annual financial statements to the Audit Committee and briefed the Audit committee regarding the financial performance of the Company. The Audit Committee members in the meeting also had detailed discussed of the annual financial statements and financial performance on various aspects. The Audit Committee also reviewed the financial reporting process, discussed the adequacy of the internal control processes in place to prevent errors and fraudulent activities and thoroughly scrutinized the related party transactions carried out during the year. The committee was fully satisfied that the related party transactions were made on an arm's length basis as part of normal course of business and the transactions have been adequately disclosed in the financial statements. The Audit Committee being satisfied and authorized for onward submission of the Audited Financial Statements to the Board of Directors for consideration. All the Members of the Audit Committee were present in the meetings.

The Second meeting of the Audit Committee second meeting was held on 10 November 2018, prior to the release of the un-audited First Quarter Financial Statements of Sea Pearl Beach Resort & Spa Limited for the quarter ended on 30 September 2018. The Committee reviewed the financial performance during the first quarter after examination detail and recommended the un-audited First Quarter Financial Statements for approval to the Board of Directors for consideration and release to the shareholders of the Company.

The third meeting of the Audit Committee was held on 28 January 2019 to review the un-audited 2nd quarters and half-yearly financial Statements of the Company. The Audit Committee reviewed the financial performance during the un-audited 2nd quarters and half-year ended on 31 December 2018 after examination detail and recommended the same to the Board of Directors for consideration and release to the shareholders of the Company.

The fourth meeting of the Audit Committee was held on 25 April 2019 to release the un-audited third quarter financial statements of the Company for the quarter ended on 31 March 2019. The detailed review of the financial statements was made by the Committee and the Committee recommended to the Board for approval and release to the Shareholders of the Company.

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.

External Auditors

The Audit Committee conducted a formal evaluation of the effectiveness of the external audit process. The Committee has considered the tenure, quality and fees of the auditors, and made recommendations to the Board on the appointment and remuneration of the external Auditors. M/s. Mahfel Huq & Co., Chartered Accountants has appointed on the basis of the approval of shareholders in the 9th AGM of the Company to carry out the audit for the financial 2018-2019 accordingly they have carried out the audit of the Company for the year ended on 30 June 2019.



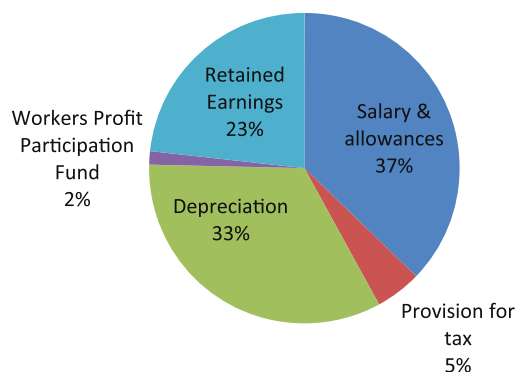
Mr. Md. Rafiqul Islam
Chairperson
Audit Committee

Value Addition Statements

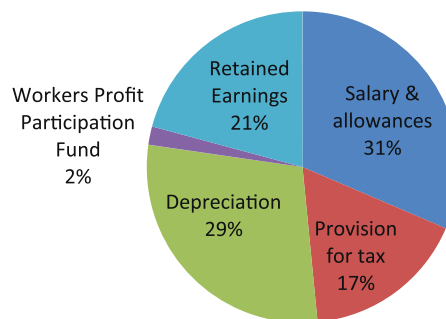
Source of Value Addition:	30-Jun-19	30-Jun-18
Revenue	512,794,073	468,895,376
Financial Expenses	(178,779,759)	(97,940,475)
Sub-total	334,014,314	370,954,901
Other Income	933,915	-
Sub-total	334,948,229	370,954,901
Operating expenses(Excluding salary, allowances and depreciation)	(143,792,903)	(149,538,725)
Total	191,155,326	221,416,176

Distribution of Added Value:	30-Jun-19	30-Jun-18
Salary & allowances	71,150,303	69,611,783
Provision for tax	9,170,129	37,642,100
Depreciation	63,731,867	63,883,641
Workers Profit Participation Fund	2,679,674	4,186,702
Retained Earnings	44,423,353	46,091,950
Total	191,155,326	221,416,176
No. of Employee	346	334
Value Added Per Employee	552,472	662,923

30 June 2019



30 June 2018



NOMINATION AND REMUNERATION COMMITTEE (NRC)



Mrs. Lucy Akhtary Mahal
Member

Mr. Md. Ekramul Hoque
Member

Mr. Md. Rafiqul Islam
Chairperson

NOMINATION AND REMUNERATION COMMITTEE (NRC) REPORT

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#	Name	Designation	Position
1	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
2	Mr. Md. Ekramul Hoque,	Director	Member
3	Mrs. Lucy Akhtary Mahal	Chairman.	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:

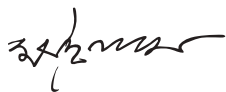
- a) Investigate any activity within its Terms of Reference and make recommendations to the Board which it deems appropriate on any area within its limit where action or improvement is needed.
- b) Seek any information it requires from or request the attendance at any of its meetings of any director 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 2019

As per Terms of Reference (ToR), During the financial year from 01 July 2018 to 30 June 2019, the Nomination and Remuneration Committee's first meeting was held on 25 April 2019 and reviewed the existing policy & procedures hiring, recruiting, remuneration package, qualifications, performances indication procedures and gave their recommendation to the Board for consideration.

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
Chairperson
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 Compliances 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. SEC/CMRRCD/2006-158/129/Admin/43 dated 07 August 2012 on Corporate Governance; and subsequent notifications 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 #	Name of Directors	Designation
01.	Mrs. Lucy Akhtary Mahal	Chairperson
02.	Mr. Md. Aminul Haque	Managing Director
03.	Mr. Md. Ekramul Hoque	Director
04.	Mrs. Sarjana Islam	Nominee 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 Directors 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 30-53 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 2018-2019, the Board of Directors were held nine (09) 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:

Sl. No.	Name	Designation	Attendance
01.	Mrs. Lucy Akhtary Mahal	Chairperson	06
02.	Md. Aminul Haque	Managing Director	09
03.	Md. Ekramul Hoque	Director	06
04.	Sarjana Islam	Nominee Director	07
05.	Md. Rafiqul Islam	Independent Director	08
06.	Md. Golam Rabbani	Independent Director	07

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 2018-2019 the committee has conducted 04 (four) meetings.

SL#	Name	Designation	Position
01	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
02	Mrs. Sarjana Islam	Director	Member
03	Mr. Md. 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 2018-2019 the committee conducted 01 (one) meeting fulfilling the conditions no. 6 (2) (h). The Nomination and Remuneration Committee members are as follows

SL#	Name	Designation	Position
1	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
2	Mr. Md. 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 criteria 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:

SL#	Name	Designation	Position
1	Mr. Md. Aminul Haque	Managing Director	Chairperson
2	Mr. Md. Rafiqul Islam	Independent Director	Member
3	Mr. Md. Ekramul Hoque	Director	Member
4	Mrs. Lucy Akhtary Mahal	Chairman	Member
5	Mr. AHM Mokbul Hossain	Chief Executive Officer	Member
6	Mrs. Mahjabin Haque Masha	Corporate Director	Member
7	Mr. Mizanur Rahman	Chief Financial Officer	Member
8	Mr. Md. Azaharul Mamun	Company Secretary	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:

SL#	Name	Designation	Position
1	Mr. Md. Rafiqul Islam	Independent Director	Chairperson
2	Mr. Md. Golam Rabbani	Independent Director	Member
3	Mr. Md. Ekramul Hoque	Director	Member
4	Mrs. Sarjana Islam	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 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. The Members are as follows:

SL#	Name	Designation	Position
1	Mrs. Lucy Akhtary Mahal	Chairman	Chairperson
2	Mr. Md. Rafiqul Islam	Independent Director	Member
3	Md. 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.

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 included in this annual report 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 2018 to 30 June 2019 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.seapearlbld.com.

Code of Ethics and Compliance with the Law:

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sea Pearl Beach Resort & Spa Limited. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations and this is being followed by the Company. Independent Corporate Governance Compliance Auditor M/S. Mahfel Huq & Co, Chartered Accountant appointed by the Board to conduct Corporate Governance Compliance Certification as per requirement of Bangladesh Securities & Exchange Commission (BSEC). Accordingly, M/S. Mahfel Huq & Co, Chartered Accountant after their examination issued a Compliance certificate which has been shown in page-100 of the Annual Report. As an organization, our values include integrity, self-determination and valuing people. Our company has specified corporate values and stipulated a code of ethics for employees, ensuring that the latter maintain the highest integrity and comply with the relevant laws and ethical principles. Therefore, the Company considers the significance of ethical, human and environmental matters in the conduct of its business.

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 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.

(a) Conflict of Interest:

Directors avoid any conflict of interest as described below between the director and the company. Any situation that involves or may reasonably be expected to involve a conflict of interest with the Company should be disclosed promptly to the Company Secretary. The Company Secretary will discuss such matters with the chairman of the Board for evaluation and appropriate resolution, which may include the requested resignation of the director. A "conflict of interest" can occur when a director's personal interest interferes in any way with or may appear to interfere in any way with- the interest of the company as a whole. Conflicts of interest may also arise when a director or a member of his or her immediate family receives personal benefit outside of the compensation or reimbursement program approved by the board as a result of his or her position as a director of the company. This Code does not attempt to describe all possible conflict of interest that could develop. Some of the more common conflicts, which director must avoid, however, are out below.

(i) Relationship of the Company with third parties:

Directors are not engage in any conduct or activities that are inconsistent with the company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has entered into, or propose to inter into, a business or contractual relationship. This prohibition includes any such third parties related to potential corporate opportunities as discussed further in section (B).

(ii) Compensation from non-Company sources:

Directors are not accepting compensation in any form for service performed for the Company from any source other than Company.

(iii) Gifts:

Director and Member of their families are not accept gifts from person or entities who deal with rather Company where any such gifts are being made in order to influence the directors' action as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

(iv) Personal use of Company assets:

Directors are not use company assets, labour or information for personal use unless approved as a part of a compensation or expense reimbursement program available to all Directors.

(v) Loan or guarantees:

Directors are not accepting loans, or any other guaranty of an obligation, from the Company.

(B) Corporate Opportunities:

Directors owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises. Directors are therefore prohibited from: (a) taking for themselves opportunity that are discovered through the use of Company property, information, their position as a director; (b) using the Company property, information or their position for personal or professional gain for themselves or an employer; and (c) competing or helping an employer compete with the Company, including compensating for the business opportunities, provided, however, if the Company's disinterested director determine that the Company will not peruse an opportunity that relates to the Company's business, a director may do so if the disclosure and abstention procedures set forth in section 1 have been followed.

(C) Confidentiality:

As a member of the board, director often learn of confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Directors are maintain the confidentiality of such information entrusted to them by the Company and any other confidential information about the Company that comes to them from whatever source in their capacity as a director except when disclosure is authorized or legally mandated.

(D) Active Participation:

Boards of Directors are exercising the duties and responsibilities of the positions with integrity, collegiality and care. This includes:

- > Making attendance at all meetings of the Board, as far as possible, on a high priority.
- > Being prepared to discuss the issues and business of the agenda, and having read all background materials relevant to the topics at hand.
- > Cooperating with and respecting the opinions of fellow Board members, and leaving personal prejudices out of all Board discussions, as well as supporting actions of the Board even the Board member personally did not support the action taken.
- > Putting the interests of the organization above personal interests.
- > Representing the organization in a positive and supportive manner at all times and in all places.
- > Showing respect and courteous conduct in all Board and Committee meetings.
- > Refraining from intruding on administrative issue that are the responsibilities of the management, except to monitor results and ensure that procedures and practices are consistently followed in line with Board policy.

(E) Fair Dealing:

In any dealing with the company's customers, suppliers, competitors and employees, directors endeavor to deal fairly. Director is not to take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.

(F) Protection and Proper use of Assets:

Directors protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. A Director's use of Company assets is to be for legitimate business purpose related to the Company.

(G) Compliance with Laws, Rules and Regulations; Insider Trading

It is the Board's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of all Directors to adhere to the standards and restrictions imposed by those laws, rules and regulations. In addition to being illegal and unethical, it is a violation of Board policy for a director to buy or sell stock or other securities while in possession of "material non-public information". This is true for Sea Pearl Beach Resort & Spa Limited Stock or other securities, as well as stock or other securities of suppliers, customers, competitors, venture partners, acquisition candidates or other companies about which a director may pass non-public material information. To help assure compliance with applicable laws relating to the trading of Sea Pearl Beach Resort & Spa Limited securities, all transaction in company securities by directors must be approved in advance by the Compliance Officer. Any director who is uncertain about the requirement regarding the purchase or sale of any Sea Pearl Beach Resort & Spa Limited securities or any securities of issue that he or she is familiar with by virtue of his or her position on the board consult with appropriate insider counsel before making any such purchase or sale.

(H) Encouraging the Reporting of Illegal or Unethical Behavior

Directors are practicing and promoting ethical behavior. Moreover, through the adoption of this Code, the Board hereby (a) affirms its expectation that employees talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) affirms its expectation that employees report to appropriate personnel violation of laws, rules, regulations or the Company's ethical and Business Conduct Policy application to the Company's employees; and (c) confirms that it will not condone retaliation for reports made in good faith.

(I) Public Disclosure of Information

All information in reports and documents that the Company files with or submits to the Securities and Exchange Commission is required to be full, fair, accurate, timely, and understandable. This standard also applies to other public communication made by the company. All directors consider this requirement in carrying out his or her Board duties.

(J) Amendment, Modification and Waiver

This Code may be amended, modified or waived by the Sea Pearl Beach Resort & Spa Limited Board of Directors, subject to the disclosure and other provisions of the Securities and Exchange Ordinance, 1969 and the rules thereunder and the applicable rules of Dhaka Stock Exchange (DSE) or Chittagong Stock Exchange (CSE) where company's securities are traded. As a general policy, the Board of Directors not grant waivers to the Code, unless it is considered being necessary to waive any condition of these Codes, for the interest of the company, its operation and practical reason.

(K) Compliance Procedures

Directors communicate any suspect violations of this code promptly to the Company Secretary. The Company Secretary usually review the matter with (i) the chairman of the Board; (ii) the Chairman of the Nominating and Corporate Governance Committee, if the suspected violation involves the Chairman of the Committee, and (iii) the Chairman of the Audit Committee if the suspect violation involve the Chair of the Nomination and Corporate Governance Committee, the Company Secretary may review the suspected violation with any and all other directors as appropriate, Potential violations of this Code reported to the Board will be investigated by the Board or by a persons designated by the Board and appropriate action will be taken in the event it is determined that violation of this Code has occurred. The code of conduct as determined by the NRC has been posted on the website of the company www.seapearlbld.com including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.

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 President/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 Retirement Plan.
- > 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.
- 54 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.

A Company Secretary is an important official who ensures that best management practices and work ethics are followed to create wealth creation for the company. He is the one who represents the company for internal and external stakeholders, co-ordinates the policies of the company and management function, guides on the strategic decisions for the betterment and growth of the company like merger, acquisition and joint collaboration.

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 file annual returns, amended Memorandum and Articles of Association, return of allotments, notices of appointments, removal and resignation of directors and the secretary, notices of removal or resignation of the auditors, change of registered office and resolutions in accordance with the Companies Act with the Registrar of Joint Stock Companies and Firms (RJSC).
- > 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 be.
- > 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 regular basis.
- > 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 without approval of the Board. Sea Pearl Beach Resort & Spa Limited immediately disseminates such information to the Commission and stock exchange(s).

Requirement to attend Board of Directors' Meetings

The Managing Director (MD), 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.

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.

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 of the regulatory requirements as stipulated in the new Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission page-119 of this annual report. The professional firm M/S. Hoda Vasi Chowdhury & Co, Chartered Accountants will provide the certificate on compliance of this Corporate Governance Code in the next year as the Board of Directors recommended

For appointment subject to the shareholders' approval in the annual general meeting

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 10th Annual General Meeting. The retiring Directors are Mrs. Lucy Akhtary Mahal and Mr. Md. Ekramul Hoque

Director.

2017-2018

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 has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason, the Directors continue to adopt the going concern assumption while preparing the financial statements.

Website of the Company

The company has an official website www.seapearlbdr.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).

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. CSR 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 2018 to 30 June 2019 the Company contributed of Taka 30,000 to local individual Mr. Zazzad for the house rehabilitation purpose, Mr. Delwar Hossain of Taka 60, 000 for his mother cancer treatment purpose, Local authority of Taka 100,000 for beach clean purpose, Taka 50,000 to local authority for Independent day program purpose and donate many local individual for various purpose.

SEA PEARL BEACH RESORT & SPA LIMITED

CERTIFICATE OF DUE DILIGENCE BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER
(As required under the BSEC Guidelines)

28 October 2018

To

The Board of Directors

Sea Pearl Beach Resort & Spa Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2019.

Dear Sirs,

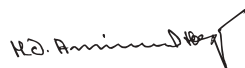
Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03, June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Sea Pearl Beach Resort & Spa Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs), 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 and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (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; and
- (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 30 June 2019 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 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



Mizanur Rahman
Chief Financial Officer

Hoda Vasi Chowdhury & Co

Chartered Accountants

Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of Sea Pearl Beach Resort and 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 (the “Company”) for the year ended on 30 June 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

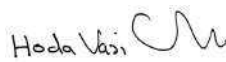
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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
Dated: 24 November 2019

National Office : BTMC Bhaban (6th & 7th Floor), 7-9 Karwan Bazar Commercial Area, Dhaka- 1215, Bangladesh
Chattogram Office : Delwar Bhaban (4th Floor), 104 Agrabad Commercial Area, Chattogram-4100, Bangladesh

Annexure-C
[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not Complied	
1 (1) Size of the Board of Directors 1(2) Independent Directors	The total number of members of a company’s Board of Directors (hereinafter referred to as “Board”) shall not be less than 5 (five) and more than 20 (twenty).	✓		
	(a) At least one-fifth (1/5) of the total number of directors in the company’s Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	✓		
	(b) For the purpose of this clause “independent director” means a director-			
	(i) who either 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	✓		
	(ii) who is not a sponsor of the company or is not connected with the company’s any sponsor or director or nominated director or shareholder of the company	✓		
	or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company			
	(iii) who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
	(iv) who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
	(v) who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
	(vi) who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
	(vii) who 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;	✓		
	(viii) who is not independent director in more than 5 (five) listed companies	✓		
	(ix) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
	(x) who has not been convicted for a criminal offence involving moral turpitude;	✓		
	(c) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
(d) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			No vacancy occurred	
(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) tenure only	✓			
1(3) Qualification of Independent Director)	(a) 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	✓		
	(b) Independent director shall have following qualifications:			
	(i) Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			Not applicable
	(ii) Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer 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 Tk. 100.00 million or of a listed company; or			Not applicable

	(iii) Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	√		
	(iv) University Teacher who has educational background in Economics or Commerce or Business Studies or Law;			Not applicable
	(v) Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	√		
	(c) The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
	(d) In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission			Not applicable
1(4) Duality of 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 (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by 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;	√		
	(c) The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
	(d) The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
	(e) In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		

1(5) The Directors' Report to Shareholders

(i)	An industry outlook and possible future developments in the industry	√		
(ii)	The segment-wise or product-wise performance	√		
(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			Not applicable
(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		Subsequent to 30 June 2019 the company has raised Tk. 15 crore through IPO and hence no IPO proceeds have been used upto 30 June 2019.
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			The company goes for Initial Public Offering (IPO) but no financial results deteriorate occurred.
(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			Not applicable
(x)	A statement of remuneration paid to the directors including independent directors;	√		The Company has yet to fixed the remuneration of the directors including independent directors.

(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
(xiii)	A statement that 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	√		
(xiv)	A statement that International Accounting Standards (IAS) or 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;	√		
(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	√		
(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;			Not applicable
(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			Not applicable
(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			Not applicable
(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
	(a) Parent or Subsidiary or Associated Companies and other related parties (name-wise)	√		
	(b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	√		
	(c) Executives;	√		
(xxiv)	(d) Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
	(a) a brief resume of the director;	√		
	(b) nature of his / her expertise in specific functional areas;	√		
(xxv)	(c) names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
	A Management's 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 statements, among others, focusing on:			
	(a) accounting policies and estimation for preparation of financial statements;	√		
	(b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;			No change in accounting policy.
	(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;			Financial performance of peer company in similar location are not available.
	(e) briefly explain the financial and economic scenario of the country and the globe;	√		
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
(xxvi)	(g) future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
	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 ; and	√		
(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		

1(6) Meetings of the Board of Directors	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 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.	√		
1(7) Code of Conduct for the Chairperson, other Board members and Chief Executive officer	(a) The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; (b) The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		In the process of implementation.

2. Governance of Board of Directors of Subsidiary Company

2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company			Not applicable
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			Not applicable
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			Not applicable
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			Not applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			Not applicable

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

3(1) Appointment	(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)	√		
	(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
	(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	√		
	(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
	(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)	√		
3(2) Requirement to attend Board of Directors' Meetings	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	√		
3(3) Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)	(a) The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
	(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	√		
	(b) The MD or CEO and CFO shall also certify that there are, to the best of 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 or its members	√		
	(c) The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		

4. Board of Directors' Committee

	For ensuring good governance in the company, the Board shall have at least following subcommittees:			
	(i) Audit Committee; and	√		
	(ii) Nomination and Remuneration Committee	√		

5. Audit Committee

(1) Responsibility to the Board of Directors

(a)	The company shall have an Audit Committee as a sub-committee of the Board;	√		
(b)	The Audit Committee shall assist the Board 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	√		
(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		

5(2) Constitution of the Audit Committee

(a)	The Audit Committee shall be composed of at least 3 (three) members	√		
(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			Not applicable
(e)	The company secretary shall act as the secretary of the Committee	√		
(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		

5(3) Chairperson of the Audit Committee

(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		
(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	√		
(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		

5(4) Chairperson of the Audit Committee

(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee	√		
(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		

5(5) Role of Audit Committee

(a)	Oversee the financial reporting process	√		
(b)	Monitor choice of accounting policies and principles	√		
(c)	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;	√		
(d)	Oversee hiring and performance of external auditors	√		
(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		
(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		
(h)	Review the adequacy of internal audit function	√		
(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
(j)	Review statement of all related party transactions submitted by the management	√		
(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
(l)	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; and	√		
(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: 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: 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.	√		Subsequent to 30 June 2019 the company has raised Tk. 15 crore through IPO and hence no IPO proceeds have been used upto 30 June 2019.

5(6) Reporting of the Audit Committee

	(i) The Audit Committee shall report on its activities to the Board.	√		
	(ii) The Audit Committee shall immediately report to the Board on the following findings, if any:-			
(a) Reporting to the Board of Directors	(a) report on conflicts of interests;			Not applicable
	(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			Not applicable
	(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			Not applicable
	(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			Not applicable
(b) Reporting to the Authorities	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier			Not applicable

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 under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	√		
--	---	---	--	--

6. Nomination and Remuneration Committee (NRC).-

(1) Responsibility to the Board of Directors	(a) The company shall have a Nomination and Remuneration Committee (NRC) as a of the Board	√		
	(b) The NRC shall assist 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 executive;	√		
	(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
(2) Constitution of the NRC	(a) The Committee shall comprise of at least three members including an independent director;	√		
	(b) All members of the Committee shall be non-executive directors;	√		
	(c) Members of the Committee shall be nominated and appointed by the Board;	√		
	(d) The Board shall have authority to remove and appoint any member of the Committee;	√		
	(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
	(f) The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	√		
	(g) The company secretary shall act as the secretary of the Committee;	√		
	(h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
(3) Chairperson of the NRC	(i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
	(a) The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
	(b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
(4) Meeting of the NRC	(c) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
	(a) The NRC shall conduct at least one meeting in a financial year;	√		
	(b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			Not applicable
	(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 as required under condition No. 6(2)(h);	√		
(5) Role of the NRC	(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.	√		
	(a) NRC shall be independent and responsible or 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) 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:	√		
	(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
	(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
	(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 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 criteria 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;	√		
	(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. External / Statutory Auditors

7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
	(i) appraisal or valuation services or fairness opinions;	√		
	(ii) financial information systems design and implementation;	√		
	(iii) book-keeping or other services related to the accounting records or financial statements;	√		
	(iv) broker-dealer services;	√		
	(v) actuarial services;	√		
	(vi) internal audit services or special audit services;	√		
	(vii) any service that the Audit Committee determines;	√		
	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
	(ix) any other service that creates conflict of interest.	√		
7(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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		

8. Maintaining a website by the Company

8(1)	The company shall have an official website linked with the website 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).	√		

9. Reporting and Compliance of Corporate Governance

9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

SEA PEARL BEACH RESORT & SPA LIMITED

**AUDITED FINANCIAL
STATEMENTS
FOR THE
YEAR ENDED
30 JUNE 2019**





Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : mh@mahfelhuq.com
Web: www.mahfelhuq.com

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, 2019, 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, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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.

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.

Sn	Risk	Our response to the risk
1.	<p>Addition of Property, Plant and Equipment</p> <p>Refer to note 06 to the financial statements.</p> <p>The Company made significant addition to Property Plant & Equipment BDT 30.75 million. There is therefore a risk that the Assets and depreciation charge may be misstated.</p>	<p>Our audit procedures included, among others, considering the risk of addition to Property, Plant and Equipment associated with the different types of asset:</p> <p>We critically assessed and verified the Company's policy of asset addition.</p> <p>We assessed the appropriateness of the value of the assets.</p> <p>We also recalculated the depreciation to assess the sensitivity of the key assumptions including depreciation rate.</p>
2.	<p>Measurement of deferred tax liability</p> <p>Refer to note 17 to the financial statements.</p> <p>Company reported net deferred tax liability totaling BDT 34.43 million as at 30 June, 2019.</p> <p>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.</p>	<p>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.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We also assessed the appropriateness of presentation of disclosures against IAS 12 Income Tax.</p>

Other Information

Management is responsible for the other information. The other information comprises the information including Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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's 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: 28 October, 2019



Md. Abu Kaiser FCA
Mahfel Huq & Co.
Chartered Accountants

SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Financial Position


As at 30 June 2019

Particulars	Notes	Amount in Taka	
		30 Jun 2019	30 Jun 2018
ASSETS			
NON-CURRENT ASSETS		4,785,825,908	4,331,010,753
Property, Plant and Equipment	6	2,792,735,668	2,825,715,149
Capital Work in Progress	7	1,993,090,240	1,505,295,604
CURRENT ASSETS		427,680,181	456,269,527
Stock of Construction Material	8	20,977,580	25,417,104
Inventories	9	23,738,936	20,502,060
Investment	10	32,369,108	-
Trade and Other Receivables	11	141,325,684	69,711,187
Advances, Deposits and Prepayments	12	99,443,690	109,674,605
Cash and Cash Equivalents	13	109,825,183	230,964,572
TOTAL ASSETS		5,213,506,089	4,787,280,280
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY		1,225,567,748	1,047,657,095
Share Capital	14	1,150,000,000	1,000,000,000
Retained Earnings	15	75,567,748	47,657,095
NON-CURRENT LIABILITIES		3,436,000,894	3,523,101,485
Non-current portion of long term secured borrowings	16	8,059,350	22,362,448
SPBRS 20% Convertible Secured Bond	16	3,393,506,700	3,472,159,066
Deferred Tax Liabilities	17	34,434,844	28,579,971
CURRENT LIABILITIES		551,937,447	216,521,699
Current portion of long term secured borrowings	16	13,888,862	12,819,436
SPBRS 20% Convertible Secured Bond	16	439,613,308	-
Short term borrowings	18	13,722,116	113,385,751
Accounts and other Payables	19	31,001,114	49,108,173
Accruals and Provisions	20	53,712,047	41,208,339
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		5,213,506,089	4,787,280,280
NET ASSET VALUE PER SHARE (NAVPS)	47	10.66	10.48

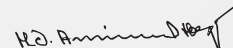
The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Chief Financial Officer


Company Secretary


Director


Chairperson


Managing Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka;
28 October 2019


Mahfel Huq & Co.
Chartered Accountants

SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Profit or Loss and Other Comprehensive Income


For the year ended 30 June 2019

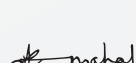
Particulars	Notes	Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
Operating Revenues	21	512,794,073	468,895,376
Costs of sales	22	<u>(102,988,275)</u>	<u>(102,054,551)</u>
Gross profit		409,805,798	366,840,825
Administrative and Other Expenses	23	(166,958,928)	(176,765,201)
Distribution & Selling Expenses	24	<u>(8,727,870)</u>	<u>(4,214,397)</u>
Operating profit		234,119,000	185,861,227
Other Income		933,915	-
Net Finance Cost	25	<u>(178,779,759)</u>	<u>(97,940,475)</u>
Profit Before Tax & WPPF		56,273,156	87,920,752
Workers Profit Participation Fund		<u>(2,679,674)</u>	<u>(4,186,702)</u>
Profit before Tax		53,593,482	83,734,050
Income Tax Expenses	26	<u>(9,170,129)</u>	<u>(37,642,100)</u>
Net Profit for the year		44,423,353	46,091,950
Basic Earnings Per Share (EPS)	27	0.44	0.67
Diluted earnings per share	27	-	-

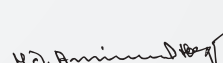
The accompanying notes form an integral part of these financial statements and are to be read in conjunction therewith.


Chief Financial Officer


Company Secretary


Director


Chairperson


Managing Director

Signed in terms of our separate report of even date annexed.

Dated, Dhaka;
28 October 2019


Mahfel Huq & Co.
Chartered Accountants

SEA PEARL BEACH RESORT & SPA LIMITED

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

Particulars	Amount in Taka		
	Ordinary Share Capital	Retained Earnings	Total
For 2018-2019:			
Balance at 01 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

Statement of Changes in Equity

For the year ended 30 June 2018

Particulars	Amount in Taka		
	Ordinary Share Capital	Retained Earnings	Total
For 2017-2018:			
Balance at 01 July 2017	85,000,000	1,565,145	86,565,145
Issuance of shares	915,000,000	-	915,000,000
Net Profit for the year	-	46,091,950	46,091,950
Balance as at 30 June 2018	1,000,000,000	47,657,095	1,047,657,095


Chief Financial Officer


Company Secretary


Director


Chairperson


Managing Director

Dated, Dhaka;
28 October 2019

SEA PEARL BEACH RESORT & SPA LIMITED

Statement of Cash Flows For the year ended 30 June 2019

Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
Cash Flow from Operating Activities:			
Collection from turnover & other receipts	28	516,473,369	408,897,656
Payment for operating costs & other expenses	29	(222,433,197)	(223,806,107)
Income tax paid	30	(6,036,828)	(2,346,371)
Net Cash (used in)/generated by operating activities		288,003,343	182,745,178
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	31	(27,697,140)	(30,019,735)
Capital Work in progress	32	(280,618,894)	(252,867,961)
Sales proceed from sale of fixed assets		-	600,000
Investment in share		(34,278,986)	-
Adv ances, Deposits and Prepayments	33	(8,416,659)	(79,081,686)
Net Cash (used in)/generated by investing activities		(351,011,679)	(361,369,382)
Cash Flow from Financing Activities			
Short Term borrowing Received/(Repaid)-Net		(99,663,635)	(23,328,794)
Net Finance (Cost)/Income	34	223,764	(37,006,450)
Secured Term Loans Received/(Repaid)-Net	35	(13,233,672)	(3,222,939,462)
SPBRS 20% Convertible Secured Bond	36	-	3,250,000,000
Receipt from/payment to related party		(3,944,811)	3,944,811
Share issue cost		(16,512,700)	-
Proceeds from fresh issuance of share capital	37	75,000,000	428,000,505
Total Cash used in Financing Activities		(58,131,054)	398,670,611
Net changes increase /(decrease) in cash and cash equivalents		(121,139,389)	220,046,407
Opening cash and cash equivalents		230,964,572	10,918,165
Closing Cash and Cash Equivalents		109,825,183	230,964,572
Operating cash inflow/(outflow) per share	38	2.83	2.65

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;
28 October 2019

SEA PEARL BEACH RESORT & SPA LIMITED

Notes to the Financial Statements

For the year ended 30 June 2019

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-1215.

1.4 Operation office

Operation office of the Company is located at Jaliapolog, 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 Amersfoort, 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.

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	Leases	17	Complied
9	Employee Benefits	19	Complied
10	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
11	The Effects of Changes in Foreign Exchange Rates	21	Complied
12	Borrowing Costs	23	Complied
13	Related Party Disclosures	24	Complied
14	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
15	Separate Financial Statements	27	Not Applicable
16	Investments in Associates and Joint Ventures	28	Not Applicable
17	Financial Reporting in Hyperinflationary Economies	29	Not Applicable
18	Financial Instruments: Presentation	32	Complied
19	Earnings Per Share	33	Complied
20	Interim Financial Reporting	34	Not Applicable
21	Impairment of Assets	36	Complied
22	Provisions, Contingent Liabilities and Contingent Assets	37	Complied
23	Intangible Assets	38	Complied
24	Financial Instruments: Recognition and Measurement	39	Complied
25	Investment Property	40	Not Applicable
26	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 2019,
- ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019,
- iii) Statement of Changes in Equity for the year ended 30 June 2019,
- iv) Statement of Cash Flows for the year ended 30 June 2019,
- v) Notes comprising a summary of significant accounting policies and other explanatory information to the financial statements for the year ended 30 June 2019.

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 period in which the estimate is revised and in any future periods 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 has adequate resources to continue in operation for the foreseeable future and has wide coverage of its 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 2018 to 30 June 2019.

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 period 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, non-refundable 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 which are not available for use as per managements intention are accounted for as capital works in progress and are measured at cost until completion of construction or installation or available for use as per managements intention. 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 period. 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 outstanding for the effects of all dilutive, potential ordinary shares. During the year the company has issued SPBRS 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 (27)

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 period financial statements presented is based on the new number of shares.

4.8 Revenue

Revenue (Room rent, Sales proceeds of beverage, income from laundry and shop rental & other revenues) is recognized at fair value of the consideration received or receivable in the period 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 Assets.

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 period in which it incurs in accordance with IAS-23 "Borrowing Cost".

The company capitalizes borrowing cost on the ratio 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 28 October 2019 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", as the Company operates in a single industry segment.

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 a number of transactions with related parties in the normal course of business and on arm's length basis. 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/period ended 30 June 2019 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)

The Board of Directors of the Company has recommended bonus/stock dividend @ 05% for the year ended 30 June 2019 at its board meeting held on 28 October 2019

4.20 Employee Benefits

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

During the period the Company has recognized Workers' Profit Participation and Welfare Funds @ 5% on net profit before tax after charging such expenses as per Bangladesh Labour Act 2006 as amended in 2013.

4.21 Comparative Information

Comparative information has been disclosed in respect of the previous period for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period financial statements.

Previous period has been re-arranged/re-stated whenever considered necessary to ensure comparability with the current period presentation as per IAS-1: Presentation of Financial Statements and IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors in notes wherever applicable.

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 basis.

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'sbazar" 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.

6 Property Plant and Equipment

Cost:

Opening Balance

Addition during the year/period

Disposal during the year/period

B. Less: Accumulated Depreciation

Opening Balance

Charged during the year/period

Disposal during the year/period

Written down value (A-B)

Amount in Taka	
As at 30-Jun-19	As at 30-Jun-18
2,950,532,112	1,890,224,583
30,752,386	1,061,877,529
-	(1,570,000)
2,981,284,498	2,950,532,112
124,816,963	61,200,319
63,731,867	63,883,641
-	(266,997)
188,548,830	124,816,963
2,792,735,668	2,825,715,149

The PPE includes lease Car which have been recognised as per IFRS -16, "Leases". A detailed schedule on property , plant & equipment has been given in Annexure-A.

7 Capital Work in Progress

1,993,090,240	1,505,295,604
----------------------	----------------------

Break-up of above as under :

Sl. No.	Particulars	Opening Balance as on 01-07-2018	Addition for the year	Balance as on 30-06-2019	Transfer to Property Plant & Equipments	Closing Balance as on 30-06-2019
01.	Building & Other Civil Works	1,201,653,999	483,613,666	1,685,267,665	1,647,355	1,683,620,310
02.	Furniture & Fixture	123,696,818	247,480	123,944,298	-	123,944,298
03.	Machineries	104,887,587	-	104,887,587	-	104,887,587
04.	Equipments	75,057,200	5,580,845	80,638,045	-	80,638,045
Total		1,505,295,604	489,441,991	1,994,737,595	1,647,355	1,993,090,240

The above balance represents cost incurred up to the Statement of Financial Position date for property, plant and equipments (PPE) under progress which are not available for use as per management intention. These amount shall be transferred to Property Plant, & Equipments when the construction/installation of PPE will be completed and also available for use as per management's intention.

The Company has been capitalized of Taka Tk. 189,337,504 out of total finance cost of Taka 370,410,275 on the ratio of total rooms and rooms which are not available for use as per managements intention to building & other civil works during the year.

8 Stock of Construction Materials

Bricks

Rod

Sand

Stone chips

Sanitary material

Other materials

Total

2,119,027	2,831,600
6,997,387	7,456,800
2,275,229	2,372,980
2,224,080	2,339,800
4,474,213	5,823,620
2,887,644	4,592,304
20,977,580	25,417,104

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

9 Inventories

These consist of the following :

Food

Beverage

General store

Total

5,926,828	7,320,048
6,498,583	6,264,613
11,313,525	6,917,399
23,738,936	20,502,060

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.

		Amount in Taka	
		As at 30-Jun-19	As at 30-Jun-18
10 Investment	As at 30 June 2019		
	Book value	Fair value	Gain/(Loss)
	32,951,235	31,239,900	(1,711,335)
	1,327,751	1,129,208	(198,543)
	34,278,986	32,369,108	(1,909,878)

11 Trade and Other Receivables

The break-up of the amount is given below;

Trade receivable -net	66,325,684	67,161,187
FDR Interest Receivable	-	2,550,000
Receivable from Dhaka Stock Exchange Limited	75,000,000	-
Total	141,325,684	69,711,187

Receivable from Dhaka Stock Exchange Limited represents the amount for allotment of shares on 23 May 2019 to the eligible investors which is received by the company on 10 July 2019.

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:

Sl.	Particulars	Amount in	Amount in
I	Debts considered good and in respect of which the company is fully secured	75,000,000	2,550,000
II	Debts considered good for which the company holds no security other than the debtor personal security	66,325,684	67,161,187
III	Debts considered doubtful or bad	-	-
IV	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	-	-
VI	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	141,325,684	69,711,187

The aging of above trade receivable is as follows:

Less than three months	112,380,951	40,844,693
Above three months but less than six months	23,512,578	22,918,305
Above six months	5,432,155	5,948,189
	141,325,684	69,711,187

12 Advances, Deposits and Prepayments

The break-up of the amount is given below;

Advances (Note-12.1)	84,286,030	96,417,083
Deposits (Note-12.2)	10,563,900	10,038,900
Prepayments	4,593,760	3,218,622
Total	99,443,690	109,674,605

12.1 Advances:

Advance Income Tax (Note-12.1.1)	14,243,651	8,206,823
Parties/ suppliers	46,636,883	70,563,785
Advance to Employees	171,059	92,559
Advance against land	5,250,000	450,000
Advance to Bandarban Project	16,079,660	14,363,139
Others	1,904,777	2,740,777
Sub-Total	84,286,030	96,417,083

12.1.1 Advance Income Tax

Opening	8,206,823	6,719,290
Add: Income tax during the year	6,036,828	2,346,371
Less: Income tax paid/adjustment during the year	-	(858,838)
	14,243,651	8,206,823

12.2 Deposits:

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	-
Cox's Bazar Pally Bidyut Samity	15,000	-
Central Depository Bangladesh Limited	500,000	-
Sub-Total	10,563,900	10,038,900

13 Cash & Cash Equivalents

This consists of as follows:

Cash in Hand
Cash in transits
Cash at Bank

A. GENERAL

Cash in hand:

Bank Name & Account Number:

Prime Bank Ltd A/C CD - 17411060002770
Prime Bank Ltd A/C-CD - 17411060005556
Prime Bank Ltd A/C CD - 13211060017092
Prime Bank Ltd A/C CD - 0002
Prime Bank Ltd A/C CD - 8730
Prime Bank Ltd A/C CD - 33826
Prime Bank Ltd A/C SND - 9630
Prime Bank Ltd A/C SND - 9537
Prime Bank Ltd-IPO A/C-BDT-30420
Prime Bank Ltd-IPO A/C-USD-30422
Prime Bank Ltd-IPO A/C-EURO-30423
Eastern Bank Ltd A/C CD -1161360084794
Marchantile A/C CD - 96205
UCB A/C CD- 0828
Islami Bank Ltd A/C CD - 306
Modhumoti Bank Ltd. A/c RCD-79023
Alpha Capital Management Limited
The Premier Bank Ltd A/c CD-79023
The Premier Bank Ltd A/c SND-2959

FDR at Premier Bank Limited

B. The Royal Tulip Cox'sbazar

Cash in hand :

Local currency

Cash in transits:

City Bank Ltd.
DBBL
Brac Bank Ltd.

Bank Name & Account Number:

Prime Bank Ltd, A/C-12017
Prime Bank Ltd, A/C-22433
National Credit & Commerce Bank Ltd-A/C-26465
Dutch Bangla Bank Ltd-A/C-32500
City Bank Ltd-A/C-4001
City Bank Ltd-Gulshan-A/C-3001
Bank Asia Ltd - A/C-0018
Agrani Bank Ltd -A/C-4459
The Premier Bank Ltd A/c SND-164

Total : (A+B)

Amount in Taka	
As at 30-Jun-19	As at 30-Jun-18

343,069	1,651,535
478,370	1,133,067
109,003,744	228,179,970
109,825,183	230,964,572

138,530	600,000
138,530	600,000

39,050	2,049,930
-	903,679
409,223	278,722
-	928
9,256	51,885
689,998	932,789
236,477	1,551,159
65,170	65,148
60,402,838	-
15,031,409	-
30,777	-
67,438	60,755
581,618	583,498
19,546	69,875
184,756	186,056
6,410	14,000
11,524,700	-
119,922	20,759,106
81,643	-
89,500,231	27,507,530

-	150,000,000
-	150,000,000
89,500,231	177,507,530

204,539	1,051,535
204,539	1,051,535

90,259	-
2,273	12,493
385,838	1,120,574
478,370	1,133,067

5,614,393	6,966,317
302,039	10,229,575
929,366	17,196,785
85,412	1,482,536
5,169,213	5,188,393
5,046,086	9,608,834
99,260	-
571,234	-
1,686,510	-
19,503,513	50,672,440
20,186,422	52,857,042
109,825,183	230,964,572

14 Share Capital

A. Authorized Share Capital

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

Amount in Taka	
As at 30-Jun-19	As at 30-Jun-18

2,000,000,000	2,000,000,000
2,000,000,000	2,000,000,000

B. Issued, Subscribed and paid-up capital

115,000,000 Ordinary shares of Tk. 10 each fully paid

1,150,000,000	1,000,000,000
1,150,000,000	1,000,000,000

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.

C. Shareholding position

	No. of shares	Percentage		
Sponsors and Directors	53,858,000	46.83%	538,580,000	538,580,000
Companies and Financial Institutions	31,935,500	27.77%	319,355,000	294,669,490
Foreign Individual and Companies	34,500	0.03%	345,000	-
General Public	29,172,000	25.37%	291,720,000	166,750,510
	115,000,000	100.00%	1,150,000,000	1,000,000,000

15 Retained Earnings

Opening Balance

Add: Net profit during the year

Less: IPO Expenses

47,657,095	1,565,145
44,423,353	46,091,950
(16,512,700)	-
75,567,748	47,657,095

16 Non-current portion of long term secured borrowings

The loan was taken from following banks.

Syndication term loan

Premier Leasing & Finance Limited

-	-
21,948,212	35,181,884
21,948,212	35,181,884

Current and non current distinction

Non Current Liabilities

Current Liabilities

Total

8,059,350	22,362,448
13,888,862	12,819,436
21,948,212	35,181,884

SPBRS 20% Convertible Secured Bond

Non-current portion of convertible secured bond

Total

3,833,120,008	3,472,159,066
3,833,120,008	3,472,159,066

SPBRS 20% Convertible Secured Bond

Non Current Liabilities

Current Liabilities

Total

3,393,506,700	-
439,613,308	-
3,833,120,008	-

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 SPBRS 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:

Particulars	Details
Nature:	SPBRS 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% per annum
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

The balance of the bond includes accrued interest of Taka 583,120,008 for moratorium period for the Period from 31 October 2017 to 30 Jun 2019.

Main features of finance from Premier Leasing & Finance Limited:

Nature:	Term finance
Purpose:	For smooth running of business
Tenure:	Five years
Repayment:	From Hotel Revenue
Rate of Interest:	15.50%
Security:	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.

17 Deferred Tax Liabilities

This has been arrived as under:

30-Jun-19

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment Except Land	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 period					34,434,844

30-Jun-18

Particulars	Carrying Amount	Tax Base	Taxable / (Deductible) Temporary Difference	Tax Rate	Deferred Tax (Assets)/Liabilities
Property, Plant and Equipment	2,825,715,149	2,313,143,424	512,571,725	35.00%	179,400,104
WPPF	4,186,702	-	(4,186,702)	35.00%	(1,465,346)
Unused tax loss (Note-26.1)	-	426,727,962	(426,727,962)	35.00%	(149,354,787)
Deferred Tax (Assets)/Liability at the end of the period/year					28,579,971

Deferred Tax Expenses/(Benefit) during the period:

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

Amount in Taka	
As at 30-Jun-19	As at 30-Jun-18
34,434,844	28,579,971
28,579,971	842,771
5,854,873	27,737,200

18 Short term borrowings

This consists of as follows:

Premier Bank Ltd. Banani Branch, SOD Account
Prime Bank Ltd. Banani Branch, SOD Account

Total

13,722,116	-
-	113,385,751
13,722,116	113,385,751

Premier Bank Ltd	
Nature:	Short term loan
Purpose:	Working capital investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	0.12
Security:	Corporate Guarantee & 2898 sft flat at Gulshan, Dhaka.

Prime Bank Ltd	
Nature:	Short term loan
Purpose:	Working capital investment.
Tenure:	One year
Repayment:	From Hotel revenue
Rate of Interest:	0.12
Security:	Corporate Guarantee & 2898 sft flat at Gulshan, Dhaka.

19 Accounts and other Payables

This consists of as follows:

Payable for goods and services
Payable to related party-Bengal Vacation Club Limited
Payable for Property, Plant & Equipment's

Amount in Taka	
As at 30-Jun-19	As at 30-Jun-18
5,407,225	7,927,262
-	3,944,811
25,593,889	37,236,100
31,001,114	49,108,173

20 Accruals and Provisions

This consists of as follows:

TDS, VAT, Duty & Service charge Payable
Provision for income tax (Note-20.1)
Workers Profit Participation Fund (Note-20.2)
Franchise fee (Note-20.3)
Accrued Expenses and Liabilities
Audit Fees
IPO Expenses
Others

Total

9,902,074	14,255,944
12,401,076	9,085,820
2,679,674	4,186,702
12,916,392	7,953,195
8,066,282	3,748,866
345,000	300,000
6,579,175	-
822,374	1,677,812
53,712,047	41,208,339

20.1 Provision for income tax

Opening Balance
Add: provided during the year
Add: Prior years short provision

Less: Paid / Adjusted during the year

Total

9,085,820	39,758
3,315,256	2,455,684
-	7,449,216
12,401,076	9,944,658
-	(858,838)
12,401,076	9,085,820

20.2 Workers Profit Participation Fund

Opening Balance
Add: provided during the year

Less: Paid during the year

Total

4,186,702	-
2,679,674	4,186,702
6,866,376	4,186,702
(4,186,702)	-
2,679,674	4,186,702

20.3 Franchise fee

Opening Balance
Add: provided during the year

Less: Paid during the year

Total

7,953,195	-
4,963,197	7,953,195
12,916,392	7,953,195
-	-
12,916,392	7,953,195

21 Operating Revenues

Room Revenue
Food & Beverage Revenue
Minor Operating department
Space rent and Other revenue

Amount in Taka	
01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
283,611,245	240,189,758
199,711,043	193,584,090
28,066,801	24,635,511
1,404,984	10,486,017
Total	468,895,376

22 Costs of sales

Salary & wages
Cost of materials & other related exp
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
Spa Cost
Others

38,691,128	42,544,274
43,337,296	39,933,455
4,447,249	3,901,718
2,486,554	2,177,437
3,933,208	3,379,909
1,947,561	1,901,784
1,599,724	1,533,015
478,600	426,500
600,339	629,610
2,054,068	1,924,484
845,000	782,500
383,841	412,951
853,299	1,222,546
1,330,408	1,284,368
Total	102,054,551

23 Administrative and Other Expenses

This consist of the followings;
Administrative and general expenses (23.1)
Repairs & maintenance and property operation (23.2)

105,405,681	116,619,950
61,553,247	60,145,251
Total	176,765,201

23.1 Administrative and general expenses

This consist of the followings;
Salaries, wages, bonus & benefits
Postage
Rent
Travel & communication
Entertainment
Security services
Internet Expenses
Licenses & Taxes
Donation
Telephone Expenses
Credit card commission
Statutory Audit Fees
Legal & Profession
Insurance
Franchise fee
Board Meeting fees
Loss on sale of fixed assets
Bond Issue Cost
Trustee fee
Depreciation
Other expenses

18,722,278	19,319,339
27,088	24,375
2,400,000	2,400,000
1,221,989	1,175,067
422,411	219,524
76,233	31,210
1,355,410	1,309,341
2,251,289	2,139,214
269,299	148,100
931,498	811,027
2,851,585	2,846,163
345,000	300,000
747,631	601,900
3,249,140	3,169,988
4,963,197	7,953,195
371,000	-
-	703,003
-	8,335,960
600,000	471,871
63,731,867	63,883,641
868,766	777,032
Sub-Total	116,619,950

23.2 Repairs & maintenance and property operation

This consist of the followings;

Salaries, wages, bonus & benefits

Travel & communication

Electricity expenses

Fuel - Oil

Repair & maintenance

Laundry equipments

Water treatment

Other expenses

Amount in Taka	
01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
8,355,104	6,800,170
108,373	57,315
30,280,735	31,521,015
10,923,050	10,403,347
8,203,702	7,606,730
2,536,596	2,198,385
855,120	977,570
290,567	580,719
Sub-Total	
61,553,247	60,145,251

24 Distribution & Selling Expenses

This consist of the followings;

Salaries, wages, bonus & benefits

Rent

Advertising & Promotion

Signs, events & functions

5,381,793	948,000
1,763,971	1,576,968
779,641	689,894
802,465	999,535
Total	
8,727,870	4,214,397

25 Net Finance Cost

This consist of the followings;

Bank Charges & Commission

Interest on short and long term secured borrowings

Less: FDR & Bank Interest

309,974	485,447
181,072,771	100,388,071
181,382,745	100,873,518
(2,602,986)	(2,933,043)
178,779,759	97,940,475

26 Income Tax Expenses/(Benefit)

This has been arrived as under;

Current Tax Expenses (Note: 26.1)

Prior years short provision

Other Income

Deferred Tax Expenses/(Benefit)

3,081,777	2,455,684
-	7,449,216
233,479	-
5,854,873	27,737,200
Total	
9,170,129	37,642,100

26.1 Current Tax Expenses

This has been arrived as under;

Net Profit/(Loss) before Tax

Other Income

Workers Profit Participation Fund

Add: Accounting Depreciation

Less: Tax Depreciation

Current Profit/(Loss)

53,593,482	83,734,050
(933,915)	-
2,679,674	-
63,731,867	63,883,641
(250,353,501)	(283,223,235)
(131,282,393)	(135,605,544)

Income Tax Rate

25.00%

35.00%

Current Tax Expenses

-

-

But Minimum tax@ 0.6% on gross receipts

3,081,777

2,455,684

Unused Tax Loss-Opening Balance

426,727,962

291,122,418

Unused Tax Loss-during the period

131,282,393

135,605,544

Unused Tax Loss Carry forwarded to next period

558,010,355

426,727,962

27 Basic Earnings per share (EPS) on Net Profit after tax : (Par Value of Tk.10)

Amount in Taka	
01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
0.44	0.67

Earnings attributable to Ordinary Shares:

Net Profit after tax as per Statement of Profit or Loss

A

44,423,353 46,091,950

Number of Shares:

B

101,602,740 69,043,251

<u>Weighted Average Number of shares:</u>	No. of shares	Weight	Weighted Average Number of shares as at 30.06.2019	Weighted Average Number of shares as at 30.06.2018
Shares Outstanding	100,000,000	1.00	100,000,000	8,500,000
Capitalization of Share Money Deposit on 23.08.2017	48,699,949	1.00	-	48,699,949
Fresh Issuance of Shares on 22.03.2018	42,800,051	0.28	-	11,843,302
IPO Issuance of Shares on 23.05.2019	15,000,000	0.11	1,602,740	-
			101,602,740	69,043,251

Basic Earnings Per Shares C=(A/B)

365

= 0.44 0.67

Dilutive Earnings par Share:

Net profit after tax

Interest save for conversion of shares (Net off tax)

Net profit after tax

44,423,353	46,091,950
46,924,922	144,403,393
91,348,275	190,495,343

Number of shares

Outstanding number of shares

Conversion of shares

101,602,740	69,043,251
43,333,333	65,000,000
144,936,073	134,043,251

Diluted earnings per share

-	-
---	---

Anti-diluted earnings per share

0.63	1.42
------	------

No diluted earning per shahe has been shown in the face of the Statement of Profit or Loss and Other Comprehensive Income as the result of the calculation is anti diluted.

Total face value of bond

Conversion option 20%

Number of shares under option

3,250,000,000	3,250,000,000
433,333,333	650,000,000
43,333,333	65,000,000

Face value

Market price as on

Total Price

Conversion Strike Price =(Face value + market value)/2

10.00
20.00
30.00
15.00

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 SPBSL and the Face Value of the equity shares of the company.

28 Received from Customers & Others:

Revenue	512,794,073	468,895,376
Accounts 'Receivable Opening	67,161,187	7,163,467
Accounts Receiv able Closing	(66,325,684)	(67,161,187)
Other revenue	2,843,793	-
Total	516,473,369	408,897,656

29 Payment to Creditors, Suppliers, Employees & Others

Costs of sales	(102,988,275)	(102,054,551)
Administrative and Other Expenses	(166,958,928)	(176,765,201)
Distribution & Selling Expenses	(8,727,870)	(4,214,397)
Adjustment for Depreciation	63,731,867	63,883,641
Adjustment for Loss on Fixed assets sale	-	703,003
(Increase)/Decrease in inventory	(3,236,876)	(16,251,094)
Adjustment for advance	(8,241,856)	1,916,055
(Increase)/Decreases in Trade and Other Payables except payable for Property, Plant & Equipments and Payable to related party	(2,520,037)	(9,562,683)
Payment from WPPF	(4,186,702)	-
Adjustment of advance of PPE	-	-
(Increase)/Decreases in Liabilities for expense except Provision for Income Tax and WPPF	10,695,480	18,539,119
Total	(222,433,197)	(223,806,107)

30 Income Tax paid

Opening Advance income tax	8,206,823	6,719,290
Closing advance income tax	(14,243,651)	(8,206,823)
Closing provision for income tax	12,401,076	9,085,820
Opening provision for income tax	(9,085,820)	(39,758)
Prior year short provision	-	(7,449,216)
Current tax during the period	(3,315,256)	(2,455,684)
Total	(6,036,828)	(2,346,371)

31 Property, Plant and Equipment

Purchased	(30,752,386)	(1,061,877,529)
Increased advanced of assets	1,407,891	-
Transfer from CWIP	1,647,355	1,029,887,794
Adjustments for advance	-	1,970,000
Total	(27,697,140)	(30,019,735)

32 Capital Work in progress

Purchased	(489,441,991)	(320,958,341)
(Increased)/Decreased Inventory of Construction Material	4,439,523.5	(5,837,080)
Adjustment for Accounts Payable for PPE	(11,642,211)	(3,477,141)
Adjustment for bond interest payable	184,507,418	66,381,637
Adjustment for Advance	31,518,367.0	11,022,964
Total	(280,618,894)	(252,867,961)

		Amount in Taka	
		01 July 2018 to 30 June 2019	01 July 2017 to 30 June 2018
33	Advances, Deposits and Prepayments		
	Advances except income tax	(6,516,521)	(76,086,619)
	Deposits	(525,000)	(455,400)
	Prepayments	(1,375,138)	(2,539,667)
	Total	(8,416,659)	(79,081,686)
34	Finance Cost		
	Net Finance Cost	(178,779,759)	(97,940,475)
	Adjustment for Interest payable on Convertible Bond	176,453,523	108,601,085
	Adjustment for Interest waved from Syndicate term loan	-	(45,117,060)
	FDR Interest receivable (increased)/decreased	2,550,000	(2,550,000)
	Total	223,764	(37,006,450)
35	Secured Term Loans Received/(Repaid)-Net :		
	Increased /(Decreased) Long term secured loan	(13,233,672)	(3,315,232,866)
	Adjustment for Interest waved from Syndicate term loan	-	92,293,404
	Total	(13,233,672)	(3,222,939,462)
36	SPBRL 20% Convertible Secured Bond		
	Increased /(Decreased) Convertible Bond	360,960,941	3,472,159,066
	Adjustment for Interest payable on Convertible Bond	(360,960,941)	(222,159,066)
		-	3,250,000,000
37	Proceeds from fresh issuance of share capital		
	Share capital Increased	150,000,000	915,000,000
	Adjustment for share money deposit	(75,000,000)	(486,999,495)
	Total	75,000,000	428,000,505
38	Reconciliation of Net profit with cash flow from operating activities		
	Net Profit Before Tax and WPPF	56,273,156	87,920,752
	Accounts 'Receivable Opening	67,161,187	7,163,467
	Accounts Receivable Closing	(66,325,684)	(67,161,187)
	Unrealised Gain/(Losses) on Investment	1,909,878	
	Adjustment for Depreciation	63,731,867	63,883,641
	Adjustment for Loss on Fixed assets sale	-	703,003
	(Increase)/Decrease in Inventory	(3,236,876)	(16,251,094)
	(Increase)/Decrease in Advances Deposits Prepayments	(8,241,856)	1,916,055
	Increase/(Decrease) Trade and other payable	(2,520,037)	(9,562,683)
	Increase/(Decrease) Liabilities for Expenses	10,695,480	18,539,119
	Payment of WPPF	(4,186,702)	-
	Adjustment of Finance Cost shown in Financing activities	178,779,759	97,940,475
	FDR Interest receivable (increased)/decreased		
	Income Tax Paid	(6,036,828)	(2,346,371)
	Cash Flow from operating activities	288,003,343	182,745,178
	Net Operating Cash Flow per Share (NOCFPS)	288,003,343	182,745,178
	Cash Flow from operating activities	101,602,740	69,043,251
	Number of Share	2.83	2.65
	Net Operating Cash Flow Per Share (Reported)	2.83	2.65

39 Additional disclosure

Though Operating Profit has increased by Tk. 48,218,153.00 crore due to increased revenue but net profit and earning per share decreased due to increased financial expenses by Tk. 80,799,664.00 crore with compared to corresponding previous year. The company had to charge finance cost of 20% convertible bond during the financial year for 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 Limited due to which financial expenses increased substantially. The company is trying and hope to overcome the situation within a very short period of time.

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

Commission , Brokerage or Discount against sales:

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

41 Related party disclosure

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	Amount in Taka		
			Balance as on 30 June 2019		
			Opening Balance Cr.	Transaction during the year (Dr.)/Cr.	Closing Balance
Bengal Vacation Club Limited	Common Management	Intercompany transaction	3,944,811	(3,944,811)	-
Total			3,944,811	(3,944,811)	-

Transaction with Key Management Personnel of the entity:

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

No.	Particulars	Value in Tk.
(a)	Managerial Remuneration paid or payable during the period from 1 July 2018 to 30 June 2019 to the directors, including managing directors, a managing agent or manager	Nil
(b)	Net cash inflow/(outflow) for the period (A+B+C)	Nil
(c)	Commission or Remuneration payable separately to a managing agent or his associate	Nil
(d)	Cash and Cash Equivalents at the end of the period	Nil
(e)	The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year/period.	Nil
(f)	Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil
(g)	Other allowances and commission including guarantee commission	Nil
(h)	Pensions etc.	Nil
	(i) Pensions	Nil
	(ii) Gratuities	Nil
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	Nil
(i)	Share Based payments	Nil

42 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 period under review, actual service, the installed capacity in terms of the counts produced and the utilization rate in appended below:(for the period from 1 July 2018 to 30 June 2019)

Description	Available rooms	Utilize rooms	% of capacity utilization
Guest Rooms	87,965	53,912	61.29%

43 Value of Import at CIF basis:

Import during the period from 1 July 2018 to 30 June 2019.

Particulars:	Amount Tk.
Water Park Equipment's	3,578,224

44 Percentage of materials consumed to the total consumed:

	Amount (BDT)	Percentage
Material consumed		
N/A	-	-

45 Payment in foreign currency:

Import and Travel Agent Commission	Foreign Currency (US\$)
	28,396

46 Number of Employees

All the employees receive salary /wages in excess of Tk. 6000 per month	
Number of permanent staff	346
Number of permanent workers	-
Number of temporary staff/worker	-
Total	346

47 Net Asset Value Per Share (NAVPS)

This has been arrived as under;

<u>Particulars</u>	5,213,506,089	4,787,280,280
Total Assets	3,987,938,341	3,739,623,185
Total liabilities	1,225,567,748	1,047,657,096
Net Asset Value	115,000,000	100,000,000
Number of Share	10.66	10.48
Net Asset Value Per Share (NAVPS)		

48 General

48.1 Directors Responsibility Statements

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

48.2 Employee Details:

i) Total number of employees at the end of the period was 346. Out of total employees, 305 numbers of employees employed throughout the period and 41 numbers of employees employed for a part of the period. 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 346 employees in the company.

48.3 Rounding off

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


Chief Financial Officer


Company Secretary


Director


Chairperson


Managing Director

Dated, Dhaka;
28 October 2019

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

Annexure-A

Amount in Taka

Sl. No.	Assets	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 30.06.2019
		Balance as at 01.07.2018	Additions during the period	Disposal during the period		Balance as on 01.07.2018	Charged during the period	Accumulated Depreciation for Disposal	
1	Land & Land Development	121,201,697	15,790,992	-	0%	-	-	-	136,992,689
2	Building & Other Civil Works	2,140,307,538	1,647,355	-	1.25%	38,143,943	26,282,193	-	2,077,528,757
3	Furniture & Fixture	140,013,295	2,857,046	-	10%	14,897,065	12,652,323	-	115,320,953
4	Computer Accessories & Equipment	1,717,784	763,750	-	10%	267,037	182,335	-	2,032,162
5	Machineries	404,732,579	2,092,667	-	5%	52,852,602	17,638,229	-	336,334,415
6	Equipments	134,282,719	2,355,576	-	5%	17,040,133	5,917,380	-	113,680,782
7	Vehicle	8,276,500	5,245,000	-	10%	1,616,183	1,059,407	-	10,845,910
	Total as at 30 June 2019	2,950,532,112	30,752,386	-		124,816,963	63,731,867	-	2,792,735,668
	Total as at 30 June 2018	1,890,224,583	1,061,877,529	1,570,000		61,200,319	63,883,641	266,997	2,825,715,149

Vehicle includes a leased Car costing BDT 1,475,000/= acquired during the year ended June 30, 2018 which have been recognised as per IAS -17. Leases.



SEA PEARL BEACH RESORT & SPA LIMITED

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

Proxy Form

I/We.....
Of.....
.....being a Shareholder Member of Sea Pearl Beach Resort & Spa Limited, do hereby appoint Mr./Mrs
.....
of.....
either of them may, in writing, appoint anyone to act as my proxy at the 10th Annual General Meeting of the Company to be held on Thursday, 26 December 2019 and at any adjournment thereof.
As Witness my/our hand this..... day of.....2019.

.....
Signature of Proxy

Revenue Stamp of Tk.20

.....
Signature of Shareholder

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 Form, 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 BEACH RESORT & SPA LIMITED

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

I/we do hereby record my/ our attendance at the 10th Annual General Meeting (AGM) of the Company being held on Thursday, 26 December 2019 at 11.00 am at Advocate Tareq Shriti Auditorium, Town Hall Round, Mymensingh City Corporation, Mymensingh.

Name of the Shareholder(s) Proxy.....

Folio/ BO ID No. Shareholder(s):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

.....
Signature of Shareholder(s)/ Proxy

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





ROYAL TULIP
LUXURY HOTELS

SEA PEARL BEACH RESORT & SPA
COX'S BAZAR, BANGLADESH



**Your
Dream
Beach
Wedding
Destination**

FEEL THE AMBIENCE.
STUNNING LOCALE.
SUPERLATIVE SERVICE.
DREAM WEDDINGS
AT COX'S BAZAR.

📞 **+88 01844016001**

✉ resv.coxsbazar@royaltulipbangladesh.com





DOWNLOAD & GET DISCOUNT



www.seapearlbd.com

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

Jaliapalong, Inani, Ukhia
Cox's Bazar-4750, Bangladesh.
Tel : +880341-52666 – 80
Fax : +880341-52681