

## 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 BDT1,150.00 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.seapearlbd.com](http://www.seapearlbd.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

