



The Peninsula Chittagong PLC

DRAFT COPY OF DIRECTORS' REPORT FOR THE YEAR ENDED JUNE 30, 2024

Welcoming Shareholders,
Assalamu Alaikum

On behalf of the Board of the Director, we are pleased to present the annual report of The Peninsula Chittagong PLC ("TPC") for the financial year ended 30 June 2024 ("FY2024").

The Directors have pleasure in presenting the 22nd Annual General Meeting of our company together with its Audited financial statement for the financial year ended June 30, 2024. It is a great pleasure and privilege on the part of the Board of Directors of The Peninsula Chittagong PLC. to welcome you all to this occasion of the 22nd Annual General Meeting of the Company and to place before you the Annual Report together with the Audited Financial Statements and the Auditors' Report thereon for the year ended 30 June 2024.

Industry outlook & possible future developments:

Peninsula commenced operation on 17 February 2006 and is the only four- star luxury business Hotel in Chittagong, Bangladesh. It is located in the heart of the prestigious GEC circle of the port city. The Peninsula Chittagong provides the highest benchmark for the Hotels of Chittagong & Bangladesh, combining western sophistication and Chittagonian hospitality in a scenic but convenient location.

The travel and tourism sector worldwide will be affected, and Bangladesh will not be an exception. Hotel sector was facing challenge due to Ukraine & Russia war, dollar rate increase, LC Related Problem and political unrest but showing sign of recovery. Future development in the industry was expected to focus on technology integration for contactless services, sustainability practices, and enhanced guest experiences. The key drivers behind in 2024, which lay the solid foundation for sustained business growth and enduring competitive advantage, encompass an uninterrupted commitment to refining the efficiency of our portfolio through adaptable business strategies, our properties' prime locations favored by tourists, as well as dynamic marketing strategies aimed at catering diverse target customer segments, to achieve an optimal market mix to optimize RevPAR in various scenarios, along with the simultaneous enhancement of distribution channels and room reservations through our brand website, complemented by the utilization of advanced technology for analytical insights to tailor personalized campaigns.

Looking ahead into 2025, we maintain unwavering confidence in the steady recovery of the global tourism industry. We are resolute in building upon the foundation laid in 2024, with a steadfast focus on enhancing asset quality and amplifying the international recognition of the 4 Star brand, alongside improving operational efficiency through asset rotation strategies, thereby driving our operational performance to new heights. Moreover, we are committed to reinforcing our business strategies, which encompass





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diversifying revenue streams, exploring new market segments pursuing investment opportunities in new assets, and fostering strategic partnerships. These efforts, combined with initiatives to strengthen financial stability, solidify our position as a leading hotel management service provider dedicated to sustainable growth and accountability to all stakeholders.

Segment-wise or Product wise performance

Particulars	Taka (2023-2024)	Taka (2022-2023)
Rooms	13,97,16,556	15,65,39,451
Food & Beverages	24,78,77,734	20,39,70,368
Minor Operating Departments	2,82,80,948	1,74,31,965
Space Rent	13,84,712	11,02,624
Total	41,72,59,950	37,90,44,408

Risks and concerns

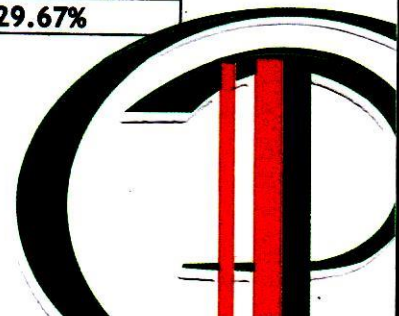
The details of the risks and concerns of the Company are discussed in Managing Risks in this annual report.

The company has established an effective compliance mechanism to mitigate the risk and will be reviewed by the Board. The company has identified various risks and has mitigation plans for each risk identified and reviewed. Risk management at TPC is concerned with earning competitive returns from the company's various business activities at an acceptable risk level. It supports the company's competitiveness by developing a culture, practice and structure that systematically recognizes and addresses future opportunities whilst managing adverse effects (i.e., threats) through recognizing risk and acting appropriately upon it. The Company has a well-defined risk management manual and processes to mitigate strategic and enterprise level risks.

Business risks refer to the impact that the country's industrial policy can have on the performance of a specific industry. Increased competition from foreign and domestic sources can lead to lower prices, revenues, profit margins, market share etc., which can adversely affect the business.

Discussion on Cost of Sales, Gross Profit Margin and Net Profit Margin

Particulars	Taka (2023-2024)	Taka (2022-2023)
Revenue	41,72,59,950	37,90,44,408
Cost of Sales	(31,67,46,388)	(26,65,83,697)
Gross Profit/ (Loss)	10,05,13,562	11,24,60,711
Operating Profit	2,06,69,487	4,54,58,755
Net Profit after Tax	(12,30,27,336)	(4,00,50,842)
Gross Profit ratio	24.09%	29.67%





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Net Operating Profit ratio	4.95%	11.99%
Net Profit ratio	(29.48)%	(10.57)%

Continuity of Extra-Ordinary Gain or Loss:

During the year, the company earned Tk. 42,72,731/- as interest income by depositing it into the bank.

Basis for related party transactions

The detailed list of the related parties with whom transactions have taken place and their relationship as identified and certified by management is disclosed in related party disclosures under IAS-24 this annual report.

Statement of Utilization of Proceed

The Peninsula Chittagong PLC. issued 55,000,000 number of shares by IPO in the year 2014. Hence, a total number of 55,000,000 ordinary shares of Taka 10 each at an offer price taka 30/- including premium of Tk.20/- per share was increased in the paid-up capital due to IPO. Total IPO proceeds of Taka 1,650,000,000. IPO proceeds amounting to Taka 117,04,45,446/- Fully utilized as on 30 November 2023 and remaining works finished by Own Fund/Bank Finance. As on 30 June PAG Utilized total Taka 2,09,60,83,847 /-.

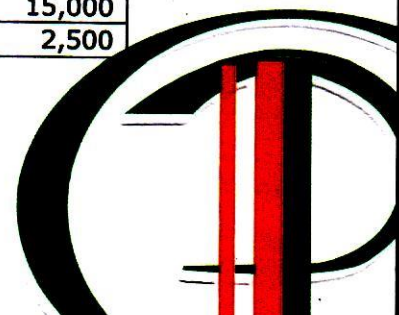
Significant variance between Quarterly Report and Audited Financial Statement

That the Company prepared and submitted quarterly reports as per applicable rules and regulations and there were no significant differences between quarterly report and annual audited financial statements.

Director Remuneration

During the year under review, Managing Director, Chairman and Executive director are not drawing for the remuneration. The company has not paid remuneration to them. The Director of The Company was paid 2500/- per meeting as a fee for attending board meetings during the year. Details of Director Remuneration paid during the period are as follows:

Name	Designation	Board Meeting
Mr. Mahboob Ur Rahman	Chairman	15,000
Mr. Mustafa Tahir Arshad	Managing Director	15,000
Mrs. Ayesha Sultana	Director	15,000
Mr. Darius Rahman	Nominated Director	12,500
Mr. Md. Abul Hossain	Nominated Director	15,000
Professor Dr. Sultan Ahmed	Independent Director	15,000
Mr. Mustafa Tahseen Arshad	Director (Resigned)	2,500





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Mrs. Bilkis Arshad	Director (Resigned)	2,500
Dr. Sheikh Md. Shafiul Azam	Independent Director	15,000
Total		1,07,000

Financial reporting standards/ Directors Declaration as to Statutory Information

In connection with preparation and presentation of the financial statements, the Directors also report that:

- The financial statements prepared by the management of the Company present fairly its situation, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in the preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- international Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going Concern.
- The significant Deviations from the last year's operating results of the Company have been highlighted in the report and reasons thereof have been explained.

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:

As a Public Company, it does have to comply with the Corporate Governance Code guided by Bangladesh Securities and Exchange Commission. In this respect, our aim is to meet the best practice and the highest standards of Corporate Governance; the board is committed to complying with this Code and applicable provisions of the laws.

We are fully committed to the fair and equal treatment of all kinds of shareholders we deal with, it is because we see diversity as an asset that helps deliver our vision of a service that meets the needs of all our customers and stakeholders. Throughout our visionary and missionary process, we make every effort to ensure that minority shareholders are fairly treated focusing their influence and interest for the company. We are always active in creating a culture so that the minority shareholders have the right to propose items on the agenda of the General Meeting, provided that the items in the agenda are for genuine business purposes. The minority shareholders have access to any and all information relating to matters for which the management is accountable for an





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should disclose to the shareholders. All these activities are taken to ensure the lawful interest of minority shareholders along with ensuring their compensation as per the requirement.

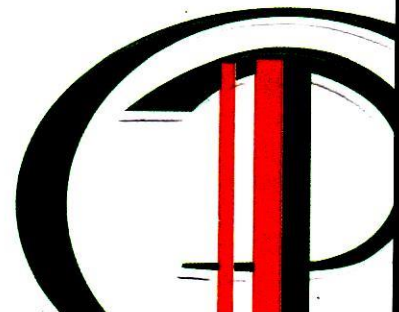
Key Operating and Financial data for the preceding Five years

	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Authorized Capital	3,00,00,00,000	3,00,00,00,000	3,00,00,00,000	3,00,00,00,000	3,00,00,00,000
Paid Up Capital	1,18,66,68,000	1,18,66,68,000	1,18,66,68,000	1,18,66,68,000	1,18,66,68,000
Total Shareholders' Equity	3,30,38,80,433	3,42,69,07,769	3,49,72,69,635	3,59,28,06,152	3,662,726,466
Net Asset Value Per Share	27.84	28.88	29.47	30.28	30.87
Earnings per Share	(1.04)	(0.34)	0.19	0.41	0.05
Operating Cash Flow Per Share	0.31	0.86	0.30	0.93	0.69

Particulars	Taka (2023-2024)	Taka (2022-2023)	Taka (2021-2022)	Taka (2020-2021)	Taka (2019-2020)
Revenue	41,72,59,950	37,90,44,408	31,17,80,065	25,42,00,403	28,27,81,490
Cost of Sales	(31,67,46,388)	(26,65,83,697)	(22,37,70,973)	(15,38,58,981)	(204,599,342)
Gross Profit/ (Loss)	10,05,13,562	11,24,60,711	8,80,09,092	10,03,41,422	78,182,148
Administrative Expenses	(7,81,78,045)	(6,56,83,182)	(5,30,34,302)	(4,14,57,010)	(58,505,795)
Selling & Distribution Expenses	(16,66,030)	(13,18,774)	(12,47,854)	(9,07,715)	(439,684)
Operating Profit	2,06,69,487	4,54,58,755	3,37,26,936	5,79,76,697	19,236,669
Financial Expenses	(7,41,33,797)	(6,77,13,111)	(4,95,55,873)	(3,92,43,757)	(33,652,179)
Other Income	42,72,731	2,33,14,238	3,00,60,447	3,90,00,571	56,252,888
Non-Operating Income/(loss)	(5,38,82,058)	(4,47,08,070)	2,89,98,040	86,07,973	(39,63,875)
Workers Profit Participation Fund (WPPF)	-	-	(21,61,478)	(33,17,074)	(1,893,675)
Net Profit Before Tax	(10,30,73,637)	(4,36,48,188)	4,10,68,072	6,30,24,410	35,979,828
Provision for Tax	(1,99,53,699)	35,97,346	(1,79,37,790)	(1,42,77,924)	(29,473,286)
Net Profit after Tax	(12,30,27,336)	(4,00,50,842)	2,31,30,282	4,87,46,486	6,506,542

Financial results and appropriations

The Directors are pleased to report on the financial results for the year 2023-2024 and recommend the following appropriations:





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Particulars	Taka (2023-2024)	Taka (2022-2023)
Net Profit Before Tax	(10,30,73,637)	(4,36,48,188)
Net Profit after Tax	(12,30,27,336)	(4,00,50,842)
Add: Un-appropriate profit brought forward	(3,91,32,357)	3,05,85,185
Profit available for distribution	(16,21,59,693)	(94,65,657)
Less: Appropriation of Dividend	-	2,96,66,700
Un-appropriated profit	(16,21,59,693)	(3,91,32,357)
Earnings per Share	(1.04)	(0.34)
Operating Cash Flow Per Share	0.31	0.86

Dividend

The Board of Directors of the Company is pleased to recommend No dividend the year 2023-2024. The Company paid No dividend for the year 2022-2023 also. History of dividend payment for the last Five years is as follows:

Years	Dividend Payout (%)
2019-2020	10 % Cash
2020-2021	10 % Cash
2021-2022	2.50% Cash
2022-2023	No Dividend
2023-2024	No Dividend (Proposed)

Attendance status of Directors in Board Meetings

During the year ended 30 June 2024, six (06) board meetings were held. The attendance status of all the meetings are as follows:

Name of the Director	Position	Meetings Held	Attendance
Mr. Mahboob Ur Rahman	Chairman	06	06
Mr. Mustafa Tahir Arshad	Managing Director	06	06
Mr. Mustafa Tahseen Arshad	Director	06	01
Mrs. Ayesha Sultana	Director	06	06
Mrs. Bilkis Arshad	Director	06	01
Dr. Sheikh Md. Shafiu Azam	Independent Director	06	06
Dr. Sultan Ahmed	Independent Director	06	06
Mr. Md. Abul Hossain	Director	06	06
Mr. Darius Rahman	Director	06	05





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Pattern of Shareholding

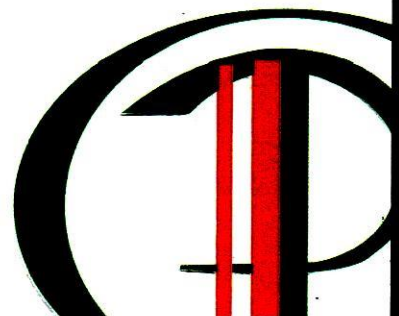
Name of Shareholder	Designation	2023-2024		2022-2023	
		No. of Share	%	No. of Share	%
Mr. Mustafa Tahir Arshad	Managing Director	5,482,512	4.62	5,482,512	4.62
Mr. Mahboob- Ur- Rahman	Chairman	3,675,840	3.10	3,545,840	3.10
Mrs. Ayesha Sultana	Director	60,36,344	5.09	60,36,344	5.09
Engineer Mosharraf Hossain	Sponsor	89,03,016	7.50	88,33,016	7.50
Mr. Aminur Rahman	Sponsor	3,045,840	2.57	3,045,840	2.57
Mrs. Mirka Rahman	Sponsor	3,045,840	2.57	3,045,840	2.57
ICB (Mr. Md. Abul Hossain)	Director (ICB Nominated)	52,96,384	4.46	52,96,384	4.46
Dr. Sheikh Mohammed Shafiul Azam	Independent Director	Nil		Nil	
Dr. Sultan Ahmed	Independent Director	Nil		Nil	
GasMin Ltd.	Shareholder	15,00,000	1.26	15,00,000	1.26
Sayeman Beach Resort Ltd. (Mr. Darius Rahman)	Shareholder	50,00,000	4.21	50,00,000	4.21

Shareholding Ten Percent (10%) or more voting interest

Name of Shareholders who hold 10% or more shares is Mr. Mustafa Tahseen Arshad; Director of the company holds number of shares 14,620,032/- and percentage of share is 12.32%.

Appointment/Re-appointment of Director

As per the Company's Articles of Association in the BoD of the meeting decided about the retired & re-appointed of Mr. Mustafa Tahir Arshad, and Mrs. Ayesha Sultana from the post of Managing Director and Director respectively as per Article & Association will retire by rotation from the directors and being eligible for re-elected unanimously at 22nd AGM. Their brief resume and other information are appended in the Director Profile of the report.





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Shares held by Director, Chief Executive Officer, Company Secretary, Head of Internal Audit and Their Spouse:

Name of Shareholder	Designation	2023-2024		2022-2023	
		No. of Share	%	No. of Share	%
Mr. Mustafa Tahir Arshad	Managing Director	5,482,512	4.62	5,482,512	4.62
Mr. Mahboob- Ur- Rahman	Chairman	3,675,840	3.10	3,675,840	3.10
Mrs. Ayesha Sultana	Director	60,36,344	5.09	60,36,344	5.09
ICB (Mr. Md Abul Hossain)	Director (ICB Nominated)	52,96,384	4.46	52,96,384	4.46
Sayeman Beach Resort Ltd. (Mr. Darius Rahman)	Shareholder	50,00,000	4.21	50,00,000	4.21
Professor Dr. Sultan Ahmed	Independent Director	Nil		Nil	
Dr. Sheikh Mohammed Shafiul Azam	Independent Director	Nil		Nil	
Dr. Sultan Ahmed	Independent Director	Nil		Nil	
Md Shamsul Arefin Maruf	Company Secretary	Nil		Nil	
Mir Kashem (CC)	CFO	Nil		Nil	
S M Monir Uddin	Head of Internal Audit	Nil		Nil	

Nomination and Remuneration Committee (NRC)

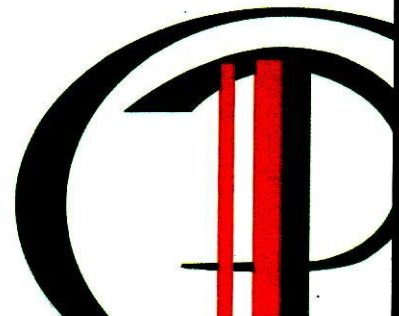
Mohammad Nurul Azim acts as the secretary of the NRC. In 2024, one NRC meeting was held.

Name of the Member Number of Meeting attended:

1. Dr. Sheikh Mohammed Shafiul Azam- Chairman (Resigned)
2. Professor Dr. Sultan Ahmed - Member
3. Mrs. Ayesha Sultana -Member
4. Mr. Mohammed Nurul Azim- Member Secretary (Resigned)

The NRC noted the remuneration governance ensuring the standards and compliance accordingly. The activities of NRC during the year were as follows:

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1. Consider the terms of reference of energy as a group by the board of directors.
2. Formulate the criteria for evaluation of performance of independent directors and the board.
3. Developing recommending and reviewing annually the company's human resources and training policies
4. Adopt a code of conduct for chairman directors and top executive of the company.
5. To recommend one foreign executive Chief should be appointed and take the necessary step regarding the matter.
6. Yearly review of all employees' salaries.

Share Capital

Authorized capital and paid-up capital of the Company stood at Tk.300.00 crore and Tk. 118.66 crore respectively in 2024.

Fixed assets additions

During the year 2023-2024 total fixed assets were Taka 259,94,44,055/- and addition Taka 7,11,10,735/-.

Reserve and surplus

Retained earnings of the Company in 2023-2024 stood at Taka (16,21,59,693)/-against Taka 3,91,32,357/-in 2022-2023. Revaluation Surplus Taka 1,228,413,842/-.

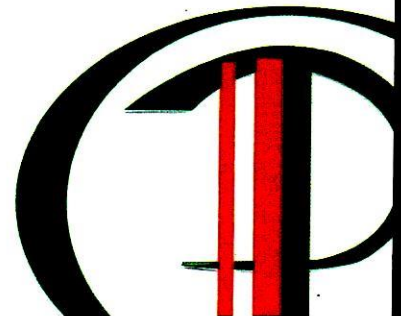
Statutory Auditors

M/S. Hussain Farhad & Co., Chartered Accountants shall retire in 22nd AGM, being eligible, M/S. Hussain Farhad, Chartered Accountants offered themselves for appointment and the Board also recommended re-appointing M/S. Hussain Farhad & Co, Chartered Accountants for the year 2024-2025. Remuneration of the auditor will be fixed by the shareholders at this Annual General Meeting.

Internal control

The Board has the ultimate responsibility of establishing effective systems of internal control. To ensure internal control regarding risk management, financial control and compliance legislation, the Company follows the principle of decentralization. It has been designed to manage the risk of failure to achieve the objectives of the Company. The Company has established an internal audit department and appointed Head of internal Audit to ensure internal control and compliances in place.

The scope of Internal Control over Financial Reporting (ICFR) includes Company Level Control (CLC-Policies & Manuals) along with General Computer Control (GCC) and Transactional Controls to ascertain operational efficacy, consistent and dependable financial reporting, information security and legal compliance. This reasonable assurance has become even more crucial after being a listed company on the country's Stock Exchanges.





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Post balance sheet events

There are no material events that occurred after the balance sheet/reporting date, non-disclosure of which could affect the ability of the users of these financial statements to make an appropriate evaluation.

Appreciation

The Directors express their deep sense of appreciation for the contribution made by the employees to the significant improvement in the operation of the company. The Board also tanks all the stakeholders including Members, customers, lenders, vendors, investors, governments of Bangladesh for their continued co-operation and support. The Board would like to take this opportunity to thank the Government bodies, its shareholders, investors, bankers and employees for their continuous commitment, cooperation, confidence and support in achieving the Company's objectives.

Mahboob-Ur-Rahman
Chairman
The Peninsula Chittagong PLC.

