

PROSPECTUS



TOWER CLUB PENANG BERHAD

1184362-D

DEFINITIONS

In this prospectus, except where the context requires otherwise, the following definitions shall apply: -

- “**Accounts**” means the Sinking Fund and the Trust Fund accounts;
- “**Administrative Fee on Transfer**” means the sum which is equivalent to ten per centum (10%) of the Membership Fee or the prevailing market value of the Membership or such other sum as shall be determined by the Operator, whichever is the higher, which is to be paid by the Member together with the submission of the Membership Transfer Application Form;
- “**Affiliated Clubs**” means those clubs, resorts or hotels that have entered into reciprocal arrangement with the Operator in respect of the Club;
- “**Applicant**” means such person who is applying for a Membership and has submitted a Membership Application Form to the Operator;
- “**Auditors**” means the auditor appointed by the Operator to audit the Accounts;
- “**By-Laws**” means such by-laws as may be prescribed by the Operator in relation to the usage of the Facilities, which may be amended, or varied by the Operator from time to time;
- “**Club**” means the recreational club known as “**TOWER CLUB PENANG**” and which is situated in the Property;
- “**Club Membership Scheme**” means the recreational club membership scheme in respect of the Club, which provides for the Member a license to use and enjoy the designated facilities and amenities at the Club;
- “**Cooling-Off Period**” means the period of ten (10) days commencing from the date the Applicant lodges the Membership Application Form with the Operator within which period the Applicant shall be entitled to withdraw such an application and to obtain a full refund of all monies paid free of interest without any deduction or penalty;
- “**Companies Act**” means the Malaysian Companies Act 1965 and any regulations enacted thereunder and any amendment thereof or substitution therefore;
- “**Facilities**” means the designated facilities and amenities at the Club (hereinafter called “**the Club Facilities**”) and the *publicly shared* affiliated facilities and amenities in the Property (which is concurrently open to the public) (hereinafter called “**the Associate**”

Facilities”) (the Club Facilities and the Associate Facilities are collectively referred to as “**the Facilities**”);

“Guest” means any guest of the Member. The Guest must be accompanied by the Member at all times;

“Liaison Committee” means the committee comprising of not less than five (5) Members and not more than eight (8) Members who are not related with the Operator, elected by the Members via an annual general meeting;

“Licence Entitlement” means the licence granted to the Member to use and enjoy the Facilities at the Club;

“Member” means such person who is registered in the Register of Members;

“Membership” means the Licence Entitlement granted to a Member by the Operator to enter the Club as a mere licensee upon the terms and subject to the conditions contained in the Membership Agreement, the Rules and Regulations, the By-Laws, and any other documents prescribed by the Operator from time to time;

“Membership Agreement” means the membership agreement entered into between the Operator and the Member evidencing the contractual right granted to the Member upon the terms and conditions contained therein;

“Membership Application Form” means the form which is to be submitted by the Applicant to the Operator to apply for a Membership;

“Membership Certificate” means the membership certificate issued by the Operator to the Member;

“Membership Fee” means the membership fee paid by the Member to the Operator to purchase the membership;

“Membership Transfer Application Form” means the form as which shall be submitted by the Member to the Operator to apply for transfer of the Membership;

“Operator” means Tower Club Penang Berhad (Company No 1184362-D), a public limited company incorporated in Malaysia and having its registered office at Unit B-11-10, Level 11, Megan Avenue 2, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur;

“Owner” means Magnificent Empire Sdn Bhd (Company No 568020-D), a private limited company incorporated in Malaysia and having its registered office at Unit B-11-10, Level 11, Megan Avenue 2, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur;

- “Property”** means four (4) levels (namely, Level 59, 60, 66 and 67) of the Komtar Tower Penang at 10450 George Town, Pulau Pinang;
- “Register of Members”** means the register to be kept by the Operator setting out the list of the Members;
- “Rules & Regulations”** means these rules and regulations prescribed by the Operator in relation to the use of the Facilities which may be amended, modified, and varied by the Operator from time to time;
- “Sinking Fund”** means a fund maintained by the Trustee to be released to the Operator to pay for the cost of periodic major repairs or replacements at the Facilities;
- “Subscription Fee”** means the monthly subscription fee to be paid by the Member to the Operator throughout the duration of the Term;
- “Term”** The period for the membership as follows:
- in respect of the Individual Membership, a period of thirty (30) years from the date of the membership agreement;
 - in respect of the Ordinary Membership, a period of thirty (30) years from the date of the membership agreement;
 - in respect of the Corporate Membership, a period of thirty (30) years from the date of the membership agreement;
 - in respect of the Honorary Membership, for such period as the Operator thinks fit;
 - in respect of the Term Membership, a period of one (1) year from the date of the membership agreement.
- “Transferee”** means the person to whom the Membership is to be transferred;
- “Trust Account”** means the interest-bearing account to be established and managed by the Trustee in respect of all monies receivable by the Operator;
- “Trust Deed”** means the trust deed entered into between the Operator of the first part, the Trustee of the second part and the Timeshare Members of the final part and shall include any amendments, modifications or changes made thereto;
- “Trustee”** means UBB AMANAH BERHAD or the Trustee for the time being of the Trust Deed, whether original, additional or substituted.

Words importing the singular number include the plural and vice versa.

Words importing the masculine gender include the feminine and neuter gender.

Marginal notes and headings are inserted for convenience and shall not be taken into consideration in the construction of this Prospectus.

Save where the context otherwise requires all references in this Prospectus to other provisions or clauses of this Prospectus shall be deemed to be references to such other provisions or clauses modified or varied from time to time.

1. INTRODUCTION TO THE PROSPECTUS

1.1 Prospectus

This Prospectus dated _____ is issued by the Operator and shall remain valid for a period of six (6) months from the date hereof and is applicable for memberships in the Tower Club Penang to be sold by the Operator.

A copy of this Prospectus has been lodged with the Registrar of Companies who takes no responsibility for its contents and is obtainable at the office of the Operator during office hours.

The Operator hereby declares:-

- (i) that no Membership shall be sold pursuant to this Prospectus after six (6) months after the date of this Prospectus, unless otherwise allowed by the Registrar of Companies;
- (ii) that the Membership Certificate shall be issued to the Member who purchase the Membership pursuant to this Prospectus not more than two (2) months after the date of the full payment of the Membership Fee by the Member to purchase the Membership.

The Trustee or representatives of the Trustee shall ensure that the Register of Members is properly maintained and to this end the Trustee is empowered and required to ensure compliance by the Operator in issuing the Membership Certificate to the Member as aforesaid.

1.2 Legislation

The principal legislation governing the establishment and operation of interest schemes in Malaysia is Division 5 of Part IV of the Companies Act, 1965 which, inter alia, requires any developer or operator of recreational club scheme intending to offer for sale, any “interest” in a recreational club membership scheme to the public, which entitles the Member the right to use the facilities of the scheme for a period of not less than twelve (12) months to comply with the requirements of Division 5 of Part IV of the Companies Act, 1965 and the policy guidelines issued by the Registrar of Companies in respect of investment contract arrangements.

2. BACKGROUND INFORMATION ON THE OPERATOR

2.1 History of the Operator

The Operator was incorporated in Malaysia on 19 April 2016 as a public limited company under the name of **TOWER CLUB PENANG BERHAD** (Company No 1184362-D). The paid-up capital of the Operator is Ringgit Malaysia One Million (RM1,000,000.00) only consisting of one million (1,000,000) ordinary shares of Ringgit Malaysia One (RM1.00) each. The Operator is a wholly owned subsidiary of

MAGNIFICENT EMPIRE SDN BHD (Company No **568020-D**), a private limited company incorporated in Malaysia and having its registered office at Unit B-11-10, Level 11, Megan Avenue 2, 12 Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

2. CORPORATE INFORMATION

2.1 Corporate information of the Operator

TOWER CLUB PENANG BERHAD (Company No **1184362-D**) is a public company of limited liability incorporated under the laws of Malaysia with its business address at No 10, Jalan Pelukis U1/46, Temasya Industrial Park, Seksyen U1, Glenmarie, 40150 Shah Alam, Selangor Darul Ehsan.

Directors

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
Tan Sri Dato' Koh Cheng Keong	No 128, Jalan Maarof, Bangsar, 59000 Kuala Lumpur	Company Director
Puan Sri Dato' Chew Lean Hong	No 128, Jalan Maarof, Bangsar, 59000 Kuala Lumpur	Company Director

Chief Executive Officer

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
Eugene Yau	Level 59 & 60, Komtar, Jalan Penang, 10000 Jelutong, Pulau Pinang	Chief Executive Officer

Company Secretary

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
Seow Fei San (MAICSA 7009732)	Unit A-17-16, Block A, Kondominium Sterling, No 3, Jalan SS 7/19, 47301 Petaling Jaya, Selangor	Company Secretary
Law Mee Poo (MAICSA 7033423)	No 11, Jalan Puteri 10/2, Bandar Puteri Puchong, 47100 Puchong, Selangor	Company Secretary

Registered Office 802, 8th Floor, Block C, Kelana Square,
No 17, Jalan SS 7/26,
47301 Petaling Jaya, Selangor

Club Address Komtar Tower Penang
10450 George Town, Pulau Pinang

Principal place of business and place of Register of Members No 10, Jalan Pelukis U1/46, Temasya Industrial Park, Seksyen U1, Glenmarie, 40150 Shah Alam, Selangor

Solicitors C.K.Cheong & Seow
Advocates & Solicitors
No. 2A-2, Wangsa Biz Avenue,
Jalan Wangsa Niaga, Off Jalan 34/26,
Wangsa Maju, 53300 Kuala Lumpur

Trustee UBB Amanah Berhad (Company No 168400-P)
Suite B-10-3, Gateway Kiaramas,
No 1, Jalan Desa Kiara,
Mont' Kiara, 50480 Kuala Lumpur

Auditors and Reporting Accountants Crowe Horwath
Chartered Accountants
Level 16, Tower C, Megan Avenue 2,
12 Jalan Yap Kwan Seng,
50450 Kuala Lumpur

Directors' profile

Tan Sri Koh Cheng Keong

Dato' Sri Dato' Koh Cheng Keong is the Managing Director and Group Chief Executive Officer of Only World Group Holdings Berhad and its group of companies, which is the ultimate holding company of the Operator. He has over 40 years' experience in the theme park, entertainment and food and beverages industry. He was the former President of the Malaysian Association of Amusement Themepark & Family Attractions (MAAFTA). He was also appointed as MAAFTA's Honorary Advisor in 2013. He is also a director of the International Association of Amusement Parks & Attractions (IAAPA) and the President of the ASEAN Retail Chain Association.

Puan Sri Dato' Chew Lean Hong

Datin Sri Dato' Chew Lean Hong is the Executive Director and Group Chief Operating Officer of Only World Group Holding Berhad and its group of companies. She has over 40 years' experience in the theme park, entertainment and food and beverages industry, focusing on business development, internal control systems, human resources and profitability.

Chief Executive Officer's profile

Eugene Yau

Eugene Yau is the Chief Executive Officer of Tower Club Penang and currently holds a dual position as the general manager of the Top@Komtar. He has over 28 years' experience in the hotel and hospitality industry. He graduated with a Diploma in Hotel Management and a Master in Business Administration from the Asia Pacific International Institute, New Zealand. He has served in various international hotels and resorts throughout his career.

3. INFORMATION ON THE CLUB

3.1 Proprietary Club

The Club is a recreational proprietary club wholly owned, managed and operated by the Operator. The Operator, being the proprietor and manager of the Club, is not subjected to any retirement, removal or replacement as an operator and manager. However, the Operator may, with prior approval from the Trustee and the Registrar of Companies, appoint a manager to manage the Club. The appointed manager shall have no right to remove retire and replace the Operator nor does the manager have any powers to terminate the Club's membership scheme.

The Membership does not create nor confer on the Member any ownership or any proprietary right over the Property or the Facilities or any other assets or business of the Operator. The Member is a mere licensee of the Operator to enter into the Club to use and enjoy – in common with other Members and persons permitted by the Company – the facilities of the Club.

There is no financial and profitability risk involved in the Club Membership Scheme as it is merely a *right-to-use* recreational club scheme and *not* a profit-oriented investment scheme or product. There is also negligible economical risk involved in the participation of the Club Membership Scheme as the Club and the Facilities is fully completed and the Owner and the Operator are associate companies.

3.2 Facilities of the Club

The Club is fully completed and contains all the recreational facilities set out below. If any of the facilities cannot be made available for any reason whatsoever, then the Operator can substitute such facility with such other equivalent replacement: -

List of facilities completed and available in the Club

The Club Facilities

Level 59

Club Reception
Tea Lounge
Dining Deck

Level 60

Boardroom
Business Suites
Lounge / Bar & Dance
Bottle Room
Wine Cellar
Wines & Cigars Room

Level 66

Gym Reception
Gym

Level 67

Club Reception
Tower Spa
Member's Lounge
Pool & Billiard
Karaoke Suites
Games Rooms
Library
Business Centre

The Associate Facilities

Grand Ballroom (Level 5)
Imperial Court Restaurant (Level 5)
Umi Restaurant (Level 5 & 6)
Top View Restaurant (Level 59)
Coco Cabana Bar & Bistro (Level 68)

3.3 Affiliated Clubs

The Operator may, from time to time, enter into affiliations and reciprocal arrangements with other recreational clubs, hotels, golf clubs and other recreational clubs subject to the payment of an affiliation fee. However, any affiliated and reciprocal arrangement entered into by the Operator is merely an added and extra benefit to the Member and is not perpetual. It is also subject to variations and termination by the Operator and the Affiliated Clubs. The Operator shall not be liable to the Member for such variation or termination.

3.4 Particulars of the Property

Location of the Club

The Club is located at Levels 59, 60, 66 and 67 of the Komtar Tower Penang at 10450 George Town, Penang.

4. THE MEMBERSHIP

4.1 Maximum number of the Membership

- (a) Unless otherwise approved by the Registrar of Companies, the maximum number of the Membership that will be issued by the Operator shall not exceed **Five Thousand (5,000)** memberships.
- (b) The Operator shall not sell more than fifty per centum (50%) of the Membership to foreigners. However, if those allocated Membership are not taken-up by

Malaysians after the expiry of twelve (12) months from the date of the initial launch, the Operator shall be entitled to offer those Membership to foreigners.

- (c) The Operator may, from time to time, with the prior approval from the Trustee and the Registrar of Companies, issue and offer such additional Memberships by the addition of facilities to the Club.
- (d) As at _____, the Operator has sold the following Memberships comprising of: -

<i>Categories of memberships</i>	<i>No of memberships sold</i>
Individual Membership	
Ordinary Membership	
Corporate Membership	
Honorary Membership	
Term Membership	

<i>Total</i>	=====

4.2 Categories of the Membership

The categories of the Membership are: -

- *The Individual Membership:* Individual person who is granted the Individual Membership by the Operator which permits the Individual Member, without any supplementary membership, to the Licence Entitlement;
- *The Ordinary Membership:* Individual person who is granted the Ordinary Membership by the Operator which permits the Ordinary Member and his / her spouse to the Licence Entitlement;
- *The Corporate Membership:* Company or a corporation which is granted the Corporate Membership by the Operator which permits the Corporate Member to nominate two (2) individual nominees to be entitled to the Licence Entitlement. The Licence Entitlement is also extended to the Corporate Nominee’s spouse;
- *The Honorary Membership:* Individual persons who are granted the Honorary Membership by the Operator in their official capacities as office bearers of offices of prominence in the public or private sector to be entitled to the Licence Entitlement. The Licence Entitlement is also extended to the Honorary Member’s spouse. The Operator may invite any person to be an Honorary Member for such period as it thinks fit. Upon cessation of office, the Honorary Membership granted shall automatically terminate. The Honorary Member is entitled to enjoy the same privileges as the Individual Member except that the Honorary Membership is not transferable. The Honorary Member is not entitled to attend and vote at meetings; and is not liable to pay any membership fee;

- *The Term Membership*: Individual person who is granted the Term Membership by the Operator which permits the Term Member, without any supplementary membership, to the Licence Entitlement.

4.3 The Membership Fee

- During the first launch of the Membership by the Operator, the Membership Fee shall be at the prices stated in the Trust Deed.
- The subsequent value of the Membership Fee after the Initial Launch will be at such sum determined by the Operator from time to time, based on market forces and the corresponding value, quality and standard of the Club and the Facilities.
- The method of calculation of the highest price of the Membership Fee at which the Membership may be sold by the Operator shall be assessed and valued by *adding* the allocated revenue due to the Developer *with* the costs and operating expenses projected to be incurred by the Operator. The Operator's allocated revenue shall be based and derived from the projected income and revenue in accordance with the average rack rate in respect of admission to the Club and use of the Facilities, which will be the current projected and forecasted costs to customers who request for entry into the Club for the same day without any prior reservation arrangements. The Operator's projected costs and operational expenses *include* all costs and expenses in respect of the Club; ownership expenses in respect of the Property; and service and administrative expenses, costs and operating expenses, management contract expenses, miscellaneous and residual expenses in respect of the Club Membership Scheme for the duration of the term.
- As at the date of this Prospectus, the Membership Fee in respect of the relevant memberships is as follows: -

<i>Membership category</i>	<i>Membership fee</i>
Individual Membership	Ringgit Malaysia Fifteen Thousand (RM15,000-00) only (excluding GST)
Ordinary Membership	Ringgit Malaysia Eighteen Thousand (RM18,000-00) only (excluding GST)
Corporate Membership	Ringgit Malaysia Twenty Five Thousand (RM25,000-00) only (excluding GST)
Honorary Membership	Nil
Term Membership	Not yet available

4.4 The Subscription Fee

- (a) The Member is also required to pay a monthly fee for purposes of upkeep and maintenance of the Club and the Facilities and for the administration of the Club Membership Scheme.
- (b) The Subscription Fee may be increased from time to time by the Operator, on condition that the amount of such increase must be approved by the Trustee and shall not be more than five per centum (5%) of the Subscription Fee.
- (c) As at the date of this Prospectus, the Subscription Fee in respect of the relevant memberships is as follows: -

<i>Membership category</i>	<i>Subscription fee</i>
Individual Membership	Ringgit Malaysia Eighty (RM80-00) only (per month) (excluding GST)
Ordinary Membership	Ringgit Malaysia One Hundred (RM100-00) only (per month) (excluding GST)
Corporate Membership	Ringgit Malaysia One Hundred and Fifty (RM150-00) only (per month) (excluding GST)
Honorary Membership	Nil
Term Membership	Not yet available

4.5 The Security Deposit

- (a) The Member is required to pay a security deposit. The Security Deposit shall be security for the prompt and punctual payment of the Subscription Fee and for any cost or expense arising from any damage of the Facilities by the Member. The Member is required to top-up the Security Deposit if the amount has been utilized.
- (b) As at the date of this Prospectus, the Subscription Fee in respect of the relevant memberships is as follows: -

<i>Membership category</i>	<i>Security deposit</i>
Individual Membership	Ringgit Malaysia Five Hundred (RM500-00) only
Ordinary Membership	Ringgit Malaysia One Thousand (RM1,000-00) only
Corporate Membership	Ringgit Malaysia One Thousand Five Hundred (RM1,500-00) only
Honorary Membership	Nil
Term Membership	Not yet available

4.6 Application for the Membership

- (a) The Applicant can purchase the Membership by signing an application form and submitting it to the Operator with the payment for the Membership Fee.
- (b) The Applicant can withdraw the application within the Cooling-Off Period, which is a period of ten (10) days from the signing of the application form.
- (c) The Applicant cannot withdraw the application upon the expiry of the Cooling-Off Period, and is required to sign the Membership Agreement. Failure to do so on the part of the Applicant will entitle the Operator to forfeit all moneys paid by the Applicant.
- (d) The Operator shall issue a membership certificate to evidence the purchase of the Membership within two (2) months of full payment of the Membership Fee.

4.7 Repurchase of the Membership

The Operator shall, at the written request of the Member, repurchase the Membership subject to the terms and conditions stated in *Schedule 1*.

4.8 Transfer and transmission of the Membership

- (a) The Membership can be transferred subject to the following: -
 - i) full settlement of the Membership Fee, the Subscription Fee and other charges due to the Operator;
 - ii) payment of an administrative transfer fee amounting to ten per centum (10%) of the prevailing Membership Fee sold by the Operator at that material time;
 - iii) such further terms and conditions imposed by the Membership Agreement and the Rules and Regulations;

- (b) The Member who intends to sell the Membership must provide the prospective purchaser with the current prospectus in respect of the Club Membership Scheme. The Operator shall, at the written request of the Member and subject to the payment of an administrative fee not exceeding Ringgit Malaysia Twenty (RM20.00) only, furnish the prospective purchaser with the prospectus.
- (c) The Operator shall, at the written request of the prospective purchaser and subject to the payment of an administrative fee not exceeding Ringgit Malaysia Five (RM5.00) only, furnish a certificate to confirm the full settlement of the Membership Fee and the Subscription Fee, together with the disclosure of all current legal proceedings affecting the Operator and the Club Membership Scheme.
- (d) The Operator can refuse to register a transfer of the Membership if any of the terms and conditions in respect of the Membership, the Membership Agreement or the Rules and Regulations has not been fulfilled by the Member; or if there is an outstanding due to the Operator by the Member;
- (e) In the event of the death of the Member, the Operator shall, upon receiving the grant of probate or letters of administration, register the transfer of the Membership to the beneficiary / personal representatives of the Member.
- (f) Pending the issuance of the grant of probate or letters of administration, the Operator may, upon receiving documentary evidence that a nominee has been named together with a written undertaking and indemnity, temporarily register the transfer of the Membership to the nominee of the Member.
- (g) If there is more than one person claiming transmission of the Membership, the Operator shall be at liberty not to accept and register any transfer until the grant of probate or letters of administration is issued and extracted.

5. THE MEMBER

5.1 The Member bound by the Trust Deed

The Member shall be entitled to the benefit of, and shall be bound by, the terms and conditions of the Trust Deed and any supplemental deed thereto.

5.2 Restriction of rights of the Member

- (a) The Membership does not consist of rights or interests in or arising out of an investment relating to property that ordinarily depreciates in value through use or effluxion of time.
- (b) Accordingly, the Membership does not give a possessory right to the Member over the Club and the Facilities. It merely confers on the Members an entitlement of usage and license.

- (c) The Operator is not obliged to replace the Facilities. The Operator is only responsible to maintain and execute major repairs and replacement which may be paid out from the Sinking Fund in accordance with the terms of the Trust Deed.
- (d) The Member shall not have any right to attend any meetings of the shareholders and directors of the Operator; and to partake in any decision making thereto; and shall not be entitled to any distribution of income in respect of the Club Membership Scheme.
- (e) No distribution of any income whatsoever will be made to the Member.

5.3 Register of Members

- (a) The Operator shall maintain a Register of Members, which shall be kept in written form or by other means as the Trustee may approve. The Register of Members shall be always maintained and kept up-to-date by the Operator.
- (b) The Trustee shall ensure that the Register of Members is properly maintained and that the number of the Membership sold must correspond with the maximum number of the Membership.
- (c) The Operator shall ensure that the Register of Members shall be made available for inspection by the Trustee and the Members at the place of business of the Operator free of charge during working hours of the Operator.

5.4 Liaison Committee

- (a) The Operator and the Trustee shall establish a Liaison Committee for the purpose of establishing a channel of communication between the Operator and the Member.
- (b) The Liaison Committee shall consist of not less than five (5), and not more than eight (8) of the Members, none of whom shall be connected to the Operator or the Owner.
- (c) The Liaison Committee shall be appointed by the Members from amongst their number at the annual general meeting of the Members to be convened by the Trustee within one (1) year from the Trust Deed.
- (d) The Liaison Committee shall serve for a term of one (1) year. A new committee shall be re-constituted at the next annual general meeting. The Members of the retiring committee may offer themselves for re-appointment.
- (e) The Liaison Committee shall, from time to time, advise the Trustee with respect to any breach of covenants by the Operator and to offer their views on the activities and management of the Club Membership Scheme.

- (f) The Liaison Committee's function is only as a liaising and advisory committee. It is not intended to vest any rights or powers in the management of the Club Membership Scheme or the Operator.

5.5 The meeting of the Members

Types of meeting

- (a) There shall be two (2) types of meeting of the Members, namely: - an Annual General Meeting, which is to be held annually; *and* an Extraordinary General Meeting, which refers to the members' meeting other than the Annual General Meeting.

Propose of meeting

- (b) The Members' meeting may be convened for the following purposes: - (i) to appoint the members of the Liaison Committee; (ii) to lay the audited accounts in respect of the Trust Account and the Sinking Fund Account; (iii) to remove the Trustee; (iv) to amend the terms of this Deed; and (v) any other pertinent matters allowed and related to this Deed.

Venue for meeting

- (c) The Members' meeting shall be held at the Operator's place of business or at such place as determined by the Operator.

Request for meeting

- (d) The Annual General Meeting shall be convened within one (1) year from the Trust Deed, and all subsequent Annual General Meeting shall be held within twelve (12) months following the preceding Annual General Meeting.
- (e) The Members' meeting may be convened upon the written requisition by not less than fifty (50) of the Members *or* one-tenth (1/10) of the Members, whichever is the lesser in numbers.
- (f) The Operator shall, within twenty-one (21) days of receiving the written requisition, summon the Members' meeting.

Attendance by the Operator

- (g) The Operator is entitled to attend and speak at the Members' meeting but shall not be entitled to vote.

Chairman

- (h) The Members are entitled to appoint, amongst them, a chairman to preside over the Members' meeting. If no such chairman is appointed, then *either* a nominee of the Trustee *or* a representative approved by the Registrar of Companies may be appointed as chairman.

Proxy

- (i) The Members may appoint a proxy to attend, speak and vote on the Members' behalf. The proxy must also be a member. In the case of the Corporate Members, its nominee may vote either personally or by proxy.

Quorum and adjournment

- (j) The Members' meeting shall commence only upon a quorum being present.
- (k) The present of *either* twenty (20) of the Members, *or* one –tenth (1/10) of the Members, whichever is lesser, either personally or by proxy, shall constitute a quorum.
- (l) If a quorum is not achieved within one (1) hour from the designated time of the Members' meeting, then the Members' meeting shall be postponed to an adjourned date.
- (m) The adjourned date must be not more than fifteen (15) days from the date of the original Members' meeting. No quorum is required for the adjourned Members' meeting.

Voting

- (n) Voting in respect of the Members' meeting shall be by way of show of hands with a simple majority.
- (o) The Members shall have one (1) vote for each of the Memberships. However, the Member who is in arrears of any payment due under the Memberships is disqualified from voting.
- (p) In the event of equality of votes, the chairman shall have the casting vote.
- (q) If the agenda of the Members' meeting is in respect of any alteration, modification, addition or deletion to the Trust Deed which the Trustee certifies as prejudicial to the interest of the Members, then such a resolution may only be passed by not less than fifty per centum (50%) of the votes.
- (r) If the agenda of the Members' meeting is in respect of such matters that relates to the provisions of the Companies Act 1965 or any other law, then such a resolution may only be passed by not less than seventy-five (75%) per centum of the votes.
- (s) Every question arising at the Members' meeting shall be decided by a show of hands, unless a poll is demanded. A poll may be demanded by: -
 - the chairman;
 - the Trustee;
 - the Operator;
 - one-tenth (1/10) of the Members;

Resolutions, decisions and directions

- (t) Any resolution passed at the Members' meeting shall be binding on all of the Members, whether present or not at the Members' meeting.

6. THE TRUSTEE

6.1 Establishment of a trust

By the Trust Deed made between the Operator, the Trustee, the Owner and the Members, a trust in respect of the Club Membership Scheme was established upon the terms and conditions stated therein.

6.2 Appointment of the Trustee

The Trustee is hereby appointed as the trustee for the Club Membership Scheme upon the terms and conditions stated therein.

6.3 Establishment of a Trust Account

- (a) The Operator and the Trustee shall establish an interest-bearing trust account in the name of the Trustee for the Operator.
- (b) The Membership Fee collected by the Operator from the Members shall be paid into the Trust Account.
- (c) The Membership Fee deposited into the Trust Account shall be held in trust by the Trustee for the Applicant until the expiry of the Cooling-Off Period. In the event the Applicant chooses to withdraw the purchase of the Membership, the Trustee shall release such sums, free of interest, to the Applicant.
- (d) In respect of such other sums to which the Operator is legally entitled to, the Trustee shall, upon the expiry of the Cooling-Off Period, remit those monies to the Operator.
- (e) In the event the trust monies have been invested, the interest or income arising from such investment shall accrue in favour of the Operator.
- (f) Unless exempted by the Minister of Domestic Trade and Consumer Affairs, the trust monies will not be lent or invested to the Operator, the Trustee, or any persons or company connected or related to the Operator or the Trustee.
- (g) The vesting of the Trust Account is only intended to protect the rights and interest of the Members. It is not intended to pass title, ownership, interest or benefits of the Operator to the Trustee.

6.4 Establishment of a Sinking Fund Account

- (a) The Operator and the Trustee shall establish a sinking fund trust account.
- (b) The purpose of the Sinking Fund Account is to cover the costs of periodic major repairs and replacement to the Facilities. A repair or replacement is considered

major if the cost of repair or replacement exceeds Ringgit Malaysia Ten Thousand (RM10,000-00) only.

- (c) The sinking fund may only be released for the major repairs and replacement.
- (d) The Trustee shall have the right to invest all or part of the monies in the Sinking Fund Account as provided for by the Trustees Act 1949 and the Trust Companies Act 1949.
- (e) Ten per centum (10%) of the total of the Subscription Fee collected by the Operator from the Members shall be paid into the Sinking Fund Account within thirty (30) days from the date of receipt by the Operator.
- (f) Upon the written request by the Operator, duly supported with documentary evidence of the repairs and replacement, the Trustee shall remit the requested sum from the Sinking Fund Account to cover the cost of the repairs and replacement.
- (g) In the event the sinking fund monies have been invested, the interest or income arising from such investment shall be accumulated to the principal sum and accrue back to the Sinking Fund Account. The said interest or income will be utilized to pay the repairs and replacement.
- (h) The vesting of the Sinking Fund Account is only intended to protect the rights and interest of the Members. It is not intended to pass title, ownership, interest or benefits of the Operator to the Trustee.

6.5 Powers and duties of the Trustee

The powers and duties of the Trustee are –

The Trust Account

- (a) To establish the Trust Account and deal with the trust monies in accordance with the terms of the Trust Deed;
- (b) To invest the trust monies in accordance with the terms of the Trust Deed;

The Sinking Fund

- (c) To establish the Sinking Fund Account and deal with the sinking fund monies in accordance with the terms of the Trust Deed;
- (d) To invest the sinking fund monies in accordance with the terms of the Trust Deed;

The Operator

- (e) To ensure that the Operator's covenants and obligations are properly discharged;
- (f) To report to the Registrar of Companies in the event of any non-compliance by the Operator of the terms of the Trust Deed;

The Members

- (g) To oversee the rights and interests of the Member and ensure that the interest of the Member is preserved and protected.
- (h) To investigate into complaints by the Member;

The Club and the Facilities

- (i) To ensure that the Club and the Facilities are properly maintained and adequately covered by insurance for the duration of the Term;
- (j) To make regular inspections to the Club to ensure its good condition and to report any damage or unsatisfactory condition of the Club and the Facilities;

Bank Accounts

- (k) To open and operate bank accounts (including fixed-deposit accounts and money-market placement) in respect of the investments relating to the Trust Account and the Sinking Fund Account;

Register of Members and Accounting Records

- (l) To ensure that the Operator keeps and maintain the Register of Members;
- (m) To keep proper books of accounts in relation to the Trust Account and the Sinking Fund Account;
- (n) To send the accounting records to be audited at the end of each financial year by auditors;
- (o) To send (by ordinary post) a statement of the accounting records, together with a report by the auditors, within two (2) months of the end of the financial year to the Member;

Insurance

- (p) To ensure that the Club is adequately covered by insurance for the duration of the Term;

6.6 Non-obligation of the Trustee

- (a) The Trustee is not obliged to undertake any further duties other than those stated in the Trust Deed.
- (b) The Trustee is not obliged to participate in the management and operation of the Club Membership Scheme unless specifically required by the Trust Deed.
- (c) The Trustee is not obliged to institute, maintain or defend any legal action in relation to the Club Membership Scheme;
- (d) The Trustee shall not be responsible for any loss or damages incurred by any person due to the acts of the Operator.

- (e) The Trustee is entitled to assume, without enquiry, that the Operator is duly performing and observing all the covenants and terms of the Trust Deed.

6.7 Remuneration of the Trustee

- (a) The Trustee shall be entitled to be paid its professional fees and disbursements.
- (b) The Trustee's fees shall be an amount as mutually agreed between the Operator and the Trustee.

6.8 Resignation of the Trustee

- (a) The Trustee may retire by giving six (6) months written notice to the Operator.
- (b) If the period of the notice is less than six (6) months, the Trustee can only retire only if the Operator consents to it.
- (c) The Operator shall, upon receiving the resignation notice from the Trustee, appoint a new replacement trustee approved by the Registrar of Companies. The resignation of the Trustee will only be effective upon the new trustee being appointed in its place.

6.9 Removal of the Trustee

- (a) The Trustee may be removed by the Operator by way of one (1) months' notice in writing to the Trustee or by the resolution of the Members passed by simple majority in the Extraordinary General Meeting.
- (b) The Operator shall, upon the removal of the Trustee, appoint a new replacement trustee approved by the Registrar of Companies. The removal of the Trustee will only be effective upon the new trustee being appointed in its place.

6.10 Replacement of the Trustee

- (a) The Trustee that has resigned or has been removed shall, without prejudice to liability for any antecedent breach, be released from the Trust Deed.
- (b) The Trustee shall transfer the Trust Account and the Sinking Fund Account, together with all other accounts invested with the trust monies and the sinking fund monies, to the Operator and the new trustee.
- (c) The Trustee shall execute a supplemental trust deed with the Operator and the new trustee for facilitate the appointment of the new trustee to the Club Membership Scheme.
- (d) The Trustee shall not delay in its approval of the requisite supplemental trust deed appointing the new trustee.

7. ACCOUNTANTS' REPORT
(Prepared for inclusion in this prospectus)

8. FURTHER STATUTORY AND OTHER GENERAL INFORMATION

In accordance with the provisions of the Companies Act 1965, the following additional information is included in this Prospectus and forms part of the Prospectus.

8.1 The Owner

8.1.1 The Owner takes cognizance of the appointment of the Trustee and agrees that the Property shall be bound by the Club Membership Scheme and the Trust Deed.

8.1.2 The Owner hereby covenants as follows: -

- (a) that during the Term, the Property and the Club is made available to the Club Membership Scheme for use by the Member;
- (b) to ensure that the Property is insured from loss or damage by fire;
- (c) not to encumber or further encumber the Property without the prior written consent of the Trustee;
- (d) to pay the quit rent, assessment and other outgoings in respect of the Property;

8.2 The Auditor

8.2.1 The Auditor is a licensed company auditor within the context of the Companies Act 1965.

8.2.2 The Auditor shall hold office until such time as the Auditor may voluntarily resign by notice in writing to the Trustee.

8.2.3 However, the Trustee may, if deemed appropriate, remove the Auditor and appoint another auditor.

8.3 Termination and winding-up of the Club Membership Scheme

8.3.1 The Club Membership Scheme shall operate for the duration of the Term and shall continue to subsist for so long as there shall be in existence the Membership.

8.3.2 However, the Club Membership Scheme can be terminated before the expiry of the Term upon the mutual consent between the Operator, the Trustee and the Member. In such a case, the Operator, the Trustee and the Member shall execute a deed of termination to terminate the Trust Deed.

8.3.3 In the event the Operator goes into liquidation, or if in the opinion of the Trustee that the Operator has ceased to carry on the business and operation of the Club Membership Scheme, or has, to the prejudice of the Members, failed to comply with the terms of the Trust Deed, then the Trustee shall summon a meeting of the Members in accordance with the provisions of Section 95 of the Companies Act 1965. The Operator shall: -

- (a) send, by post, a notice of the meeting, at least twenty-one (21) days before the proposed meeting, to the Members;
- (b) publish, at least twenty-one (21) days before the proposed meeting, an advertisement giving notice of the meeting in a newspaper circulating generally in Malaysia;
- (c) If at such a meeting, a resolution is passed by a majority of not less than seventy-five per centum (75%) of the votes of the members present, and voting either in person or by proxy, to wind-up the Club Membership Scheme, then the Trustee shall apply to the High Court for an order confirming the resolution.
- (d) On the application by the Trustee, the High Court may, if so satisfied that such order is in the interest of the Members, confirm the resolution and make such orders necessary and expedient for the winding-up of the Club Membership Scheme.

8.3.4 Upon the mutual termination or winding-up the Club Membership Scheme, the Trustee shall realize the Trust Account and the Sinking Fund Account.

8.3.5 The Trustee shall retain monies in the Trust Account and the Sinking Fund Account to pay all disbursements, outgoings, charges, expenses, liabilities, claims or demands in respect of the Trust Deed and the Club Membership Scheme.

8.3.6 The Trustee shall, upon completion of the realization of the Trust Account and the Sinking Fund Account, distribute the balance thereof, amongst the members in proportion to the Membership Fee. Any balance thereof, if any, shall be distributed back to the Operator.

8.4 Previous issues of memberships

Save for the sale of memberships in the Club described in this prospectus, there is no other undertaking, scheme, enterprise, or investment contract involving the issue of membership to the public undertaken by the Operator previously thereto.

8.5 Director's interest

The Club Membership Scheme does not contemplate any investment in property. As such, the disclosure of directors' interest in the business of vendors of properties does not arise.

8.6 Consents

The written consents of the Auditor, the Trustee and the Solicitor to the inclusion in this Prospectus of their names and all references, and where relevant, their letters and reports in the form and context in which they appear have been given before the issue of this prospectus and have not subsequently been withdrawn.

8.7 Documents for inspection

Copies of the following documents may be inspected at the principal place of business of the Operator, from 9.00 a.m. to 5.00 p.m. on Mondays to Fridays except public holidays, for a period of six (6) months for the date of this Prospectus:-

- a) Memorandum and Articles of Association of the Operator
- b) The Trust Deed
- c) The Membership Agreement
- d) The Rules & Regulations
- e) The Register of Members
- f) The Accountants' Report
- g) The letters of consent

8.8 Consents

The consents of the Solicitors and Trustee to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The consent of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their names and Accountants' Report in the form and context in which they appear in this Prospectus has been given before the issue of this Prospectus and had not subsequently been withdrawn.

9. DIRECTORS' RESPONSIBILITY STATEMENT

This Prospectus has been seen and approved by the directors of the Operator, and they jointly and severally accept full responsibility for the accuracy of the information given herein and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

THE DIRECTORS

TAN SRI KOH CHENG KEONG

PUAN SRI CHEW LEAN HONG

Dated:

Lodged by:

C.K.Cheong & Seow
Advocates & Solicitors
No. 2A-2, Wangsa Biz Avenue,
Jalan Wangsa Niaga,
Off Jalan 34/26, Wangsa Maju,
53300 Kuala Lumpur
Tel. No: 03-41491711 / 2711
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Lodged in the office of the Registrar of Companies, Kuala Lumpur