

MOTION NO: AGM/2024/02

APPROVAL TO (1) BUILD A NEW MULTI-STOREY CARPARK WITH INTEGRATED SPORTS COMPLEX, (2) BUILD AN EXTENSION TO THE KITCHEN, AND (3) UPGRADE THE INTERNAL ROADS AND TRAFFIC FLOW FOR UP TO A COMBINED SUM OF RM12,500,000.00, CONDITIONAL ON THE PRIOR APPROVAL OF MOTION NO: AGM/2024/01, AND THE APPROVAL OF A RM20.00 PER MONTH REFUNDABLE LOAN FOR 36 MONTHS AMOUNTING TO RM720.00 FROM EVERY ORDINARY MEMBER AND EVERY CORPORATE REPRESENTATIVE

CONDITIONAL ON the approval of Motion No: AGM/2024/01, that we, the members of The Sarawak Club do hereby resolve to approve the Motion to:- (1) build a new multi-storey carpark with integrated sports complex at a total project cost of up to RM10,300,000.00 (Ringgit Malaysia Ten Million Three Hundred Thousand), (2) build an extension to the kitchen at a total project cost of up to RM1,600,000.00 (Ringgit Malaysia One Million Six Hundred Thousand), and (3) upgrade the internal roads and traffic flow at a total project cost of up to RM600,000.00 (Ringgit Malaysia Six Hundred Thousand), and that the Management Committee is authorized to award the tender for such works to the qualified contractor after due process of having conducted an invitation to tender based on the project design by professional architect firm SML Architects; and to expend the combined sum of up to RM12,500,000.00 (Ringgit Malaysia Twelve Million Five Hundred Thousand) for the said purpose.

AND that we, the members of The Sarawak Club do hereby resolve to approve the Motion for every Ordinary Member and every Corporate Representative to contribute, in addition to the monthly subscription, a monthly sum of RM20.00 (Ringgit Malaysia Twenty) per Ordinary Member and per Corporate Representative for 36 months amounting to RM720.00 (Ringgit Malaysia Seven Hundred Twenty) in the form of a refundable loan that will go towards the funding of the renovations as listed in this said Motion.

AND that the refundable loan shall be repaid to every Ordinary Member and every Corporate Representative, beginning from the first month following the 36th month of collection of the refundable loan (i.e. the 37th month), over the next 36 months, in the form of a monthly credit note in the sum of RM20.00 (Ringgit Malaysia Twenty) into the respective members' account.

EXPLANATORY NOTES TO THE MOTION

The Management Committee recognizes that the most basic privilege of membership is to be able to access the clubhouse and all the facilities and amenities offered within. This is why we regard this renovation project as imperative.

The popularity of the club's food and beverage facilities, particularly for banquets and events and at peak weekend periods, has put a strain on the kitchen facilities and on the provision for parking and smooth traffic flow. This has meant either long queues for access to the club, or waiting times for food delivery. In some cases, members have decided to eat elsewhere as a result.

The kitchen needs more space to function properly and parking allocation and traffic flow must be improved, not just for the current levels of membership and usage but also for any future expansion of the club's membership base or facilities provision.

1. New multi-storey carpark with integrated sports complex

- 1.1. The Club presently has 187 car parking bays. The carpark is in heavy demand from members who come to the Club for their lifestyle activities and for their dining. Furthermore, guests of invited members, especially for dining, also wish to park in our club. Whenever there is a large banquet held at the Hornbill Restaurant, the carpark is almost always invariably full. This situation has led to much frustration among members who wish to patronize the Club but are unable to find parking.
- 1.2. The demand for parking also increased after we added the Poolside Terrace as an additional dining space in the club, with seating for another 40 covers.
- 1.3. The active membership of the club for sports and for dining has also increased. Many of the new members joining the club have obtained their memberships from members in their twilight years. And given the prospect of the membership growing by another 500 members, if or when the membership cap is raised, the need to provide more parking to accommodate members becomes even more apparent.
- 1.4. The new multi-storey carpark is proposed to be built adjacent to and linked to the existing multi-storey carpark. Upon completion, there will be a net addition of 121 parking bays, bringing the total number of parking bays to 308.
- 1.5. The new building will be constructed over the existing basketball/futsal court and tennis court no.1. On the roof top level of the new multi-storey carpark, there will be one new basketball/futsal court plus one new tennis court or one new multi-purpose tennis/pickleball court.
- 1.6. On the verge between the new multi-storey carpark and the existing tennis court no.2, there will be a new gallery area with new toilets and showers. Also, there will be additional event space and storage space.

2. Extension of the kitchen

- 2.1. The existing kitchen has not been expanded since the rebuild of the clubhouse in 2007. Since then, we have experienced significant growth in demand for food coming from more in-house patronage at the Main Hall,

Hornbill Restaurant, Badger Bar and Rajah Room, plus the Poolside Terrace which was a new dining space that was added in 2019.

- 2.2. Arising from the COVID-19 pandemic, we introduced a convenient takeaway service. In addition to the recovery of the dine-in situation, the takeaway service remains popular to this day. The volume of takeaway orders is akin to operating an additional F&B outlet. Daily sales average RM3,900.
- 2.3. Therefore, the kitchen needs additional space to cope with the increased demands placed on it. We have also faced problems of limited storage for food supplies that are needed to cope with demand. In two recent peak-seasons, we needed to hire a 20' *reefer* (container freezer) solely for storage of frozen food supplies. The expansion of the kitchen would incorporate bigger freezers and chillers, and dry stores to meet our operational needs.
- 2.4. A larger kitchen would enable the kitchen team to get more work done, more efficiently. Chef Tay already has designs for a larger food store, more cooking stoves and food preparation zones, all of which should lead to shorter waiting times for food orders and a better dining experience, overall.
- 2.5. The expansion of the kitchen would also allow for increased menu options or additionally lay the foundations for a future expansion of the Hornbill Restaurant. Alternatively, the extra kitchen space could service a completely new restaurant for Thai cuisine or Japanese cuisine, for example, come the next phase of renovations.

3. Upgrade of the internal roads and traffic flow

- 3.1. The roads within the club compound are narrow. Congestion builds up at the entrance with members stopping at the covered porch for their passengers to alight or to pick-up their takeaway orders. Though the porch is technically wide enough for two cars side-by-side, passing is not possible when passengers are alighting from both sides.
- 3.2. Past the entry boom gate, there is two-way traffic of cars entering the carpark and of cars leaving the club. This often results in bottlenecks, especially at the turning junctions.
- 3.3. The flow of traffic has to be integrated into the new multi-storey carpark.
- 3.4. To improve the flow of traffic at the entrance, we are adding a by-pass lane at the front of the porch for members who do not need to drop off passengers before they head for the car park. We will also refresh the landscaping of the front garden to tie it all together with the new developments.
- 3.5. For cars leaving the club, we intend to direct traffic towards the rear of the sports annexe which will lead out to the amphitheater carpark. Additionally, we plan to open up a new exit from the tennis court end of the carpark,

directly into Jalan Taman Budaya, at the foothill. This new exit would be subject to town council approval.

4. Why is this Motion conditional on the prior approval of Motion No: AGM/2024/01?

- 4.1. Since 2010, the various Management Committees have carefully managed the club's reserves. We have built these up from our lowest point where the Club only had less than RM400,000 in reserves, to its current state of around RM10 million over the last decade. Our reserves are important for asset renewal and for carrying out improvement projects such as the renovations. We have already carried out two substantial renovations in 2016/2017 and in 2018/2019.
- 4.2. The reserves were also vital in sustaining the running of the club throughout the COVID-19 pandemic, when club income was severely impacted. We were able to keep the club open and accessible to members throughout the pandemic, albeit under imposed restrictions. Equally important, we managed to safeguard our human capital, the staff, through the uncertain period.
- 4.3. With around RM10 million in reserve, we still do not have enough reserves to fully fund the entire renovation project. Your Management Committee, however, strongly feels that the proposed renovations are needed immediately and should not be pushed back. We have studied in detail as to how the renovation project can be funded and find that it is feasible but strictly conditional on the approval of the proposed minimal increase in the monthly subscription rate that was presented in Motion No: AGM/2024/01 AND through a compulsory monthly contribution in the form of a refundable loan from all Ordinary Members and Corporate Representatives.

5. Funding of the renovation project

- 5.1. The funding would be from three main income sources:

	Source of funding	Funds Required: RM12,500,000
1	Club's reserves	RM6,500,000
2	Monthly subscription	RM3,120,000
3	Refundable loan	RM2,880,000

- 5.2. Club's reserves:- Though we have RM10 million, the Management Committee will not commit all of the reserves towards the renovation as this could jeopardize the sustainable operations of the Club in the short term. We have learnt a painful lesson from the time of the construction of the golf resort in Samarahan, which left the Club in a perilous financial position by 2010. Regrettably, it also led to some divisions among members. Keeping close to RM4 million in reserve is prudent management of our reserves that

offers a significant buffer to see the Club through the renovation period and would safeguard against any unforeseen crises or circumstances.

5.3. Monthly subscription:- With the approval of Motion No: AGM/2024/01, the new monthly subscription would be RM100 for Ordinary Members and Corporate Representatives. From this, the Club will channel RM780 per member after 36 months of collection from all 4,000 members, towards the funding of the renovation.

5.4. Refundable loan:- Every Ordinary Member and every Corporate Representative would be required to contribute RM20 monthly for 36 months. This additional contribution constitutes a loan to the Club that will be refunded in 36 instalments beginning from the 37th month. The 36-monthly refund of RM20 per month would be in the form of a credit note that would be posted into each members' account. The repayment of the loan is to be stretched over 36 months to ensure that there are enough funds in reserve to safely cover our day-to-day operations.

5.4.1. Members who sell (transfer) their membership will be refunded the actual amount loaned to the Club up to the point of the cessation of their membership.

5.4.2. New members joining mid-way through the loan period will be required to continue contributing to the loan up to the 36th month.

5.4.3. With regards to a deceased member, Club Rule 15.4 shall apply with the surviving spouse or the estate of the deceased member being liable to the Club for the refundable loan.

5.4.4. Subject to the approval of this Motion, every Ordinary Member and Corporate Representative will be required to contribute the refundable loan, and Club Rule 24 shall apply in any instance of non-settlement of the member's account or refusal to pay the refundable loan.

6. Period of construction

6.1. The whole renovation is estimated to be completed in 24 months.

6.2. During renovation, there will undoubtedly be inconveniences but we will take steps to minimize disruptions.

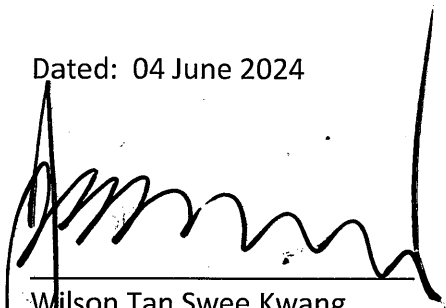
6.3. With the demolition of the basketball court and tennis court no.1, there will be three tennis courts remaining during the construction period. The Management has planned to temporarily convert one of the tennis courts into a shared facility for basketball and pickleball. We appeal to all members to compromise and share the facilities.

7. Tender of the renovation project

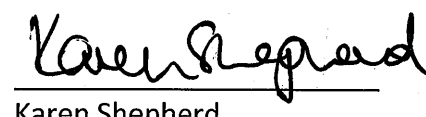
7.1. The Management Committee will conduct an invitation to tender based on the project design by the appointed consultant architect, SML Architects.

7.2. The Management Committee will review the tenders and award the tender for such works to the qualified contractor.

Dated: 04 June 2024



Wilson Tan Swee Kwang
(Membership No. T888)
Proposer for the motion



Karen Shepherd
(Membership No. S356)
Secunder for the motion