

THE SARAWAK CLUB

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Preamble

Dear fellow Members of The Sarawak Club,

As the Management Committee, our primary objective is to maintain our exclusivity and desirability as a premier private members' club in Kuching by ensuring sustainable operations and supporting our growth. Our memberships remain in high demand, both for new applicants and for junior conversions. They are now regularly trading at close to the recently increased price of RM40,000.

But we have now reached our membership cap and junior conversions have been suspended since 2023. Basic services such as parking and kitchen capacity struggle to service current demand, let alone future growth. As such, the Management Committee has identified a need for a programme of renovations, beginning with these two foundational elements of club membership. Our reserves are insufficient to cover these without jeopardizing the financial sustainability of the club. We now must ask the members to support the operational budget and growth of the club's services through an increase in subscriptions, something we have avoided imposing on members for over a decade, despite significant inflationary pressures.

Therefore, the first package of four motions for consideration by our esteemed members is entirely interconnected, securing the funding to provide for the smooth running of the club through this initial program of renovations and thereafter for expansion of both the membership and our facilities in the future. Throughout this process, we need to ensure that neither our high standards of service to the members nor our financial viability as an organisation are compromised.

1. Monthly Subscription Increase – Motion No: AGM/2024/01: The monthly subscription has remained at RM70 since 2010. The day-to-day operations of the club should ideally be covered by the monthly subscription collection. But this is not the case. As it stands, running the club is reliant on the contribution from F&B operations, notably through banquets, and also on membership conversions. This has become increasingly difficult with the various inflationary pressures that we have had in the last 14 years and the exhaustion of the membership cap. Raising the monthly subscription from RM70 to RM100 will generate the income needed to adequately cover the day-to-day running costs of the club and, furthermore, is vital in financing the renovations package currently under consideration.

2. Building Capacity – Motion No: AGM/2024/02: The club is a renowned dining venue and our F&B offerings are by far the most popular facility, with our members regularly entertaining their guests here. First, the club faces a shortage of parking spaces for its current membership of 4000. Secondly, expansion of the kitchen is equally crucial to cope with the growth. A bigger kitchen would allow the club to serve members faster and it also opens up

the possibility of introducing increased menu options. The proposed renovations for consideration will enhance the membership experience for all, support the value of our shared asset, build capacity for the future expansion of our membership base and lay the foundations for any future expansion of the facilities. The renovations will be a costly project, estimated at RM12.5 million. Besides tapping into our reserves, we also need to raise additional funds from the monthly subscription, plus from a refundable loan from each member to reach the funding goal.

3. More Unsubscribed Memberships – Motion No: AGM/2024/03: The exhaustion of the existing membership cap presents long-term financial challenges. Junior Conversion fees have been a significant source of income for many years. Ordinary Members enjoy the privilege of converting their children into Ordinary Members at a heavily discounted fee as compared to the outright purchase of a membership at the Entrance Fee. The Committee would like to raise the membership cap, but it would be irresponsible to do so knowing that more members would undoubtedly put more strain on the capacity of our existing club house. The proposed renovations will pave the way for considering the admission of new members.

4. Restructuring the Junior Conversion Fee – Motion No: AGM/2024/04: The Committee wishes to provide an avenue for members to enjoy the privilege of securing a discounted membership for their children, while at the same time making it equitable across the spectrum of members. The addition of new memberships available for Junior Conversion is therefore an opportune time for a rethink of the junior conversion fee structure. The new fee structure will also reflect the true nature of the exclusivity of membership and serves to supplement the club's reserves for the benefit of all members.

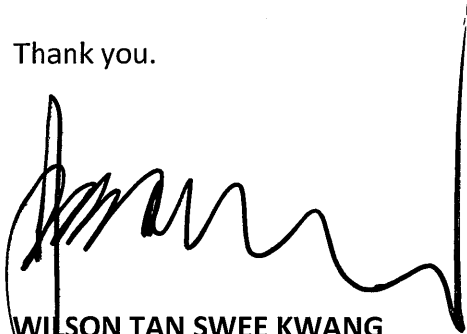
In summary, these four motions collectively aim to ensure the financial sustainability, operational efficiency, and future growth of our club, while maintaining its esteemed status within the community. As a result, consideration of motions 2 to 4 is entirely dependent on the success of motion 1. Should the members decide against an increase in subscriptions, essential for funding the renovations, the interconnected motions will need to be withdrawn. We urge all members to cast their votes in the best interest of the club's long-term prosperity.

5. Petty Cash - Motion No: AGM/2024/05 seeks to correct the omission in our club's Constitution, which specifies provision for petty cash in terms of limits and accountability, as it concerns the management of the Club. This was highlighted to the club's Management Committee in an audit conducted by the Registrar of Societies in July 2023. This motion is essential for compliance to the requirements of ROS.

6. Conferment of Honorary Life Membership - Motion No: AMG/2024/06, the Management Committee would like to acknowledge our very own esteemed Ordinary Member, the newly appointed Tuan Yang Terutama Yang Di-Pertua Negeri Sarawak Tun Pehin Sri Dr. Haji Wan Junaidi Bin Tuanku Jaafar, in conferring him as an Honorary Life Member of The Sarawak Club. This is in line with the past practice of the club. Tun Pehin Sri joined The Sarawak Club in 1984 and has served the State in many portfolios culminating in his

appointment as the Yang Di-Pertua Negeri Sarawak on 26th January 2024. As our Honorary Life Member, we look forward to his favour and blessing for the club and its members.

Thank you.



WILSON TAN SWEE KWANG
PRESIDENT