



ANNUAL REPORT

THE SARAWAK CLUB

2020

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MESSAGE FROM THE PRESIDENT



MELVIN WEE (W008)

President

THE COVID-19 PANDEMIC

The effects of the Covid-19 pandemic have dragged on and its impact has reverberated worldwide and affected us all, without exception. In Kuching, the infection rate has fluctuated and various levels of Movement Control Orders (MCOs) have been introduced by the relevant authorities and these MCOs impacted the Sarawak Club and our members in the past year.

By the 2nd half of the year, most of our facilities and dining outlets have reopened. The strict procedures which the local authorities have imposed are a necessary compromise which members have had to abide with. In so doing, we can at least resume some semblance of our clubbing lifestyle.

The financial impact of the Covid-19 pandemic on the Club has been tremendous. After depreciation of RM1 million, we incurred a deficit of approximately RM450,000. This was inevitable yet expected as patronage in our food outlets dwindled and strict SOPs prohibited banqueting. From an early time in the pandemic, the Management Committee has implemented additional cost-saving exercises to minimise the financial impact on our club. Non-urgent expenses, in particular capital expenditures, were either cancelled or postponed while club maintenance continued. Food and beverage promotions for dine-ins as well as takeaways were ramped up to mitigate the loss of business from banqueting.

We were also wary of the impact of the prolonged pandemic on our staff, and it was a conscious decision of the Management Committee to retain our staff and care for their welfare. I am extremely pleased to learn that members clearly cared and supported our staff as well, evident in that members continued to donate to the monthly staff welfare fund. At the same time, I am grateful to our staff for their dedication and understanding of the challenging times that we are faced with. Efforts were also made, especially during these less busy times, to up-skill our staff by way of conduct of in-house courses to improve service delivery to members as well as to ensure improved compliance with SOPs by both kitchen and service staff.

In late-October, we received confirmation that two of our members had tested positive for Covid-19 and that they had recent history of visiting the club. From our own tracing efforts and investigations, we were able to identify the movements of the said members. The initiative was made to temporarily close the entire club for half a day on 28th October to carry out deep cleaning and sanitizing of the related areas. Additionally, we arranged for the staff who had contact with the said members to be tested at a private hospital. Subsequently, all ten staff tested negative. To further reassure members, all of the club's staff were sent for testing for the Covid-19 virus and the entire clubhouse underwent a deep cleaning and sanitizing process. To facilitate this, the entire club was closed for two days on 2nd and 3rd November. Thankfully,

every single staff tested negative and the club reopened on 4th November, 2020.

Since the commencement of the Covid-19 pandemic, our policy has been to strictly comply with the SOPs of the relevant authorities, minimise the disruption of services to our members, prioritising the safety of our members and staff and to manage our finances prudently so as to mitigate the financial impact on our Club. Increase use of the Sarawak Club Application and the introduction of order for food through WhatsApp are some additional measures introduced over the year to ensure added convenience to our members in availing themselves to the services and food and beverage offerings of the Club.

At the time of writing, the Covid-19 vaccination program in Sarawak is already underway. There is light at the end of the tunnel for hopes of a return to normalcy.

VALUE ADDING TO YOUR MEMBERSHIP & FINANCIAL SUSTAINABILITY

With the economy reopening in stages, we were finally able to conduct our Annual General Meeting on 30th August. In spite of the prevailing SOPs and social distancing limitations, there was a healthy attendance and the Meeting was a success.

The Management Committee presented to the members four Motions of changes to the Club's entrance fees, transfer fees, conversion fees and membership subscription for the absent member category. The revisions were to secure the financial viability of our Club in the medium to long term. The Motions and the accompanying preamble are contained in this 'Annual Report 2020', so I will not rehash the details here.

The proposed Motions were significant. We are grateful to all the members who have submitted proxy votes and who have turned up in-person to the Meeting for supporting the Motions. All four Motions were carried and subsequently have been approved by The Registry of Societies Malaysia.

The changes take effect from 1st January 2021. In a nutshell, your Ordinary Membership rises in value to RM40,000. This is justified by many factors including the significant value of the Club's net tangible assets, the scarcity vs. the demand for memberships, and the capital investments poured into the Club and the renovations which have value-added our club membership.

Correspondingly, the transfer fee has been revised to RM4,000 and the conversion fee for Junior members converting to Ordinary members has been revised to RM12,000. With the impending rise of the latter, there was a surge of applications for conversions to Ordinary memberships right up to the final day of 2020. There is still strong demand for our club memberships despite the increased membership fee and the difficult economic times brought about by the Covid-19 pandemic while the constitutionally-capped membership limit of 4,000 fast approaches.

Taking into consideration the feedback from members, a more robust membership application evaluation process has been put in place over the last few years. Face to face interviews (including by Zoom where face to face meetings were prohibited or discouraged) conducted by the Management Committee with applicants and a more objective scoring system to qualify applicants for memberships were among the measures that have been introduced.

GIVING BACK TO THE COMMUNITY

Notwithstanding the toll of the Covid-19 pandemic, I am heartened to share that our members continue to support the Club's initiative to give back to our local community through our charity adoption program. We members of The Sarawak Club, as influencers and upstanding members of our community, are in a privileged position to assist these deserving charities. The club's contributions were made possible through the generosity of members. We are pleased to be

the conduit for contributing back to our local community. More details of our efforts in this regard are covered in the General Manager's Report.

APPRECIATION

In such a challenging year, I am even more grateful for the help and encouragement from my fellow Management Committee members and the sub-committee members. We have also been wisely guided by our Immediate Past President Dato Richard Wee, Honorary Legal Advisor Mr. Chew Pok Oi and External Auditor Mr. Hudson Chua. Together, we have had to deliberate and make many difficult decisions that will have a lasting impact on The Sarawak Club. Your reach and influence with the members have helped to carry our decisions.

The General Manager Mr. Robert Brodie and his team also deserve credit for navigating the Club through this unprecedented pandemic. They are our 'front liners' in keeping you and your family safe while in the club.

Thank you, and stay safe.

NOTICE OF ANNUAL GENERAL MEETING 2021

ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of all Honorary Life and Ordinary Members of the Club will be held on **Sunday, 27 June 2021, 10.00am at the Hornbill Restaurant.**

AGENDA

1. President's Address.
2. To confirm minutes of the last Annual General Meeting held on Sunday, 30 August 2020.
3. To receive, consider and approve the Committee's Report and Financial Statement for the preceding financial year.
4. To elect the following office bearers in accordance with Rule 26:
 - President, Deputy President, Honorary Secretary, Honorary Treasurer, Bar Member, Catering Member, Entertainment Member, House Member, Sports Member, Games Member and Swimming Member
5. To elect and appoint the following for the ensuing year:
 - a) The Auditors
 - b) Three (3) Officers for the purpose of Section 9 (b) of the Societies Act 1966.
 - c) To appoint a Public Officer for the purpose of Section 9 (c) of the Societies Act 1966.
6. To transact any other business of which due notice has been given or which if raised without due notice, is admitted for discussion by a majority of members present and voting provided that no motion for the amendment or repeal of any existing Rule or the making of any new Rule shall be discussed unless due notice thereof shall have been given in accordance with Rule 32.



CHRISTOPHER TAN
Honorary Secretary
24 May 2021

MANAGEMENT COMMITTEE 2019-2021



MELVIN WEE
President



LAI LIAN YEE
Deputy President



CHRISTOPHER TAN
Honorary Secretary



WILSON TAN
Honorary Treasurer



HENRY HO LAY SENG
Catering Member



GEORGE CHAPMAN
Bar Member



PETER HO CHING HIN
Games Member



SIM CHIN KHENG
Sports Member



ZAIN B. ABDULLAH
Swimming Member



KAREN SHEPHERD
Entertainment Member



COLIN LAU
House Member

NOTICE OF ANNUAL GENERAL MEETING 2020

ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of all Honorary Life and Ordinary Members of the Club will be held on **Sunday, 30 August 2020, 10.00am at the Hornbill Restaurant.**

AGENDA

1. President's Address.
2. To confirm minutes of the last Annual General Meeting held on Sunday, 16 June 2019.
3. To receive, consider and approve the Committee's Report and Financial Statement for the preceding financial year.
4. To elect and appoint the following for the ensuing year:
 - a. The Auditors
 - b. Three (3) Officers for the purpose of Section 9 (b) of the Societies Act 1966.
 - c. To appoint a Public Officer for the purpose of Section 9 (c) of the Societies Act 1966.
5. To transact any other business of which due notice has been given or which if raised without due notice, is admitted for discussion by a majority of members present and voting provided that no motion for the amendment or repeal of any existing Rule or the making of any new Rule shall be discussed unless due notice thereof shall have been given in accordance with Rule 32.



CHRISTOPHER TAN
Honorary Secretary
3 August 2020

MINUTES OF ANNUAL GENERAL MEETING HELD ON 30 AUGUST 2020, 10.00AM AT THE HORNBILL RESTAURANT

ATTENDANCE LIST

PRESENT:

MELVIN WEE SENG LEE
PRESIDENT

LAI LIAN YEE
DEPUTY PRESIDENT

CHAN KIM KUAY @ CHRISTOPHER TAN
HONORARY SECRETARY

WILSON TAN SWEE KWANG
HONORARY TREASURER

GEORGE WILLIAM ALBERT CHAPMAN
BAR MEMBER

HENRY HO LAY SENG
CATERING MEMBER

PETER HO CHING HIN
GAMES MEMBER

COLIN LAU YAW SIONG
HOUSE MEMBER

SIM CHIN KHENG
SPORTS MEMBER

ZAIN B. ABDULLAH
SWIMMING MEMBER

Members In Attendance		
No.	Club No.	Name
1.	A095	ANG BIAN HIN @ ANG AH HUI
2.	A138	ABDUL RAHIM B ABG DRASHID
3.	A161	AZLAN BORHAN MOHAMAD
4.	A165	AU SIEW YEN, BEN JOSEPH
5.	B007	BRODIE ROBERT HARRY
6.	B106	BALBIR SINGH A/L MOHAN SINGH
7.	C111	CHEW POK OI
8.	C123	CHANG WEI SAY, WILLIAM
9.	C125	CHIN THEN SIN
10.	C157	CHAN KIM KUAY @ CHRISTOPHER TAN
11.	C328	CHUO MUI TEE, ANTHONY
12.	C353	CHAN, DUNSTAN
13.	C437	CHOO LEE PHING, WENDY
14.	C630	CHONG HAI ENG
15.	C655	CHUO MEI SZE, BRENDA
16.	C670	CHUO MEI SIEW CORNELIA
17.	C698	CHAPMAN, GEORGE ALBERT WILLIAM
18.	C855	CHEE TECK KHIAN, SIMON
19.	E022	EMBOL AK UNDI, PATRICK
20.	E046	EU SZE KWANG
21.	E048	EU SZE HWANG, NICHOLAS
22.	G057	GOH SWEE CHAU, DAVID
23.	G060	GOH LENG YEU
24.	G124	GILL, BALRAAJ SINGH
25.	H009	HO LAY SENG, HENRY
26.	H055	HO CHING HIN, PETER
27.	H085	HATCH , TIMOTHY
28.	H107	HSIUNG KWO HWA

No.	Club No.	Name
29.	H198	HAN MING CHIANG, DAVID
30.	I047	ISKANDAR BIN SHARKAWI
31.	J008	JONG AH JUDE
32.	J112	JONG JUN HIAN, PAUL
33.	K346	KO CHEO KWANG
34.	L074	LEE CHIN SAN, ELIZABETH
35.	L235	LIM THIAM SENG, PETER
36.	L241	LING TAI NGUONG, JIMMY
37.	L245	LEE CHIN YAN, EUPHRASIA
38.	L286	LIM HENG CHOO
39.	L290	LEONG CHIN ONN, RICHARD
40.	L384	LEE POH LENG, SANNY
41.	L441	LIM CHUI SOON
42.	L456	LING SHENG KHING, FELIX
43.	L465	LING KHAI SING
44.	L493	LO JIM PING
45.	L496	LIM SIOK YONG
46.	L500	LAU YAW SIONG, COLIN
47.	L539	LIEW MEE LING, MAUREEN
48.	L693	LAW YONG BAN, PATRICK
49.	L694	LEE SU KHIM
50.	L727	LEONG SZE LOONG, ALVIN
51.	L775	LEE KEOK KHIONG, JOHN
52.	L780	LO YUNG SEN, ANDY
53.	L840	LAU TING WAI, SIMON
54.	L915	LIM JIA XIN, IRENE
55.	L955	LING JIN HIN
56.	L969	LIM JIA YU, IAN
57.	L986	LIM SWEE KHOON, ERIC
58.	L993	LIM JIA YI, SERENE
59.	N078	NGUI LIU LING, NANCY
60.	N101	NG YEW TSIUNG
61.	P042	POH CHAI KIONG, ALBERT
62.	P074	PANG KIA SIEW
63.	S127	SONG TIN KUET, STANLEY

No.	Club No.	Name
64.	R054	RITCHIE, JOHN GEORGE
65.	S001	SHEPHERD, RICHARD FERGUSON
66.	S033	SIM KUAN YANG, DEREK RODNEY
67.	S127	SONG TIN KUET, STANLEY
68.	S237	SOO, LINA
69.	S263	SU TIING UH, PETER
70.	S280	SIM CHIN KHENG
71.	S356	SHEPHERD, KAREN
72.	T272	TENG LUNG HIUNG, SIMON
73.	T360	TING KAIK HANG, JARIS
74.	T407	TAN SWEE KWANG, WILSON
75.	T414	TIO SII HOONG , ADERIAN
76.	T447	TING YEW LING , DANIEL
77.	T607	TAN GEE HO, WILSON
78.	T659	TAN, CHERYL DIANE
79.	T682	TEOH CHIK JIAN
80.	T761	TAN HUN SEANG
81.	V022	VOON JAN POH, CHARLES
82.	W001	WEE LIANG CHIAT, RICHARD
83.	W008	WEE SENG LEE, MELVIN
84.	W111	WONG SHIA LEE
85.	W222	WONG SIEW EE, JANIE
86.	W349	WEE WEI SI, NIGEL
87.	W351	WILLIAMS GRAHAME CYRIL
88.	W466	WEE KIM HIEN

ESTABLISH QUORUM

1

Mr. Christopher Tan (C157) (hereinafter referred to as the “Honorary Secretary”) informed the Annual General Meeting (hereinafter referred to as the “Meeting”) that the number of members who have registered as at 10.03am was 36 and confirmed that the requisite quorum under Rule 28.7 had been attained and therefore the Meeting could commence. The Honorary Secretary welcomed all members to the Meeting and extended his appreciation to the members for their attendance.

OPENING

2

Before the Meeting proceeded, the Honorary Secretary reminded the members to strictly adhere to the Standard Operating Procedures (SOPs) stipulated by the Sarawak Disaster Management Committee (“SDMC”):-

- i) All attendees are required to wear a face mask throughout the entire proceeding of the Meeting;
- ii) All attendees are to ensure that social or physical distancing is practised at all times;
- iii) All attendees are not to move the chairs to sit together. The chairs are spaced apart as required for social distancing;
- iv) All attendees are to respect marked boundaries.
Members wishing to speak are to make their way to the nearest microphone.
- v) Members are reminded not to handle the microphone. A staff will assist to adjust the position of the microphone, if needed;
- vi) Members are reminded to continue wearing their masks while speaking; and
- vii) After each speaker, the staff will replace the microphone cover with a fresh piece.

The Honorary Secretary then proceeded to establish the ground rules for the conduct of the Meeting. He emphasized that:

- i) Members are advised to either switch off their mobile phones or to put them in silent mode. Members wishing to answer a call are to do so outside of the Meeting room;
- ii) Members are to conduct themselves with proper decorum throughout the Meeting;
- iii) Members are to observe proper time management;
- iv) Members are reminded to speak on-topic;
- v) Only Honorary Life Members and Ordinary Members may speak;
- vi) Members must state their name and membership number before speaking; and
- vii) Members are to address the Chair when speaking, while the floor is to respect the speaker and make sure that he/she is not interrupted.

The Honorary Secretary informed that four (4) Motions have been put to the members for consideration and voting. There were numerous members who could not or preferred not to join this Meeting but still wanted to vote on the Motions. Therefore, proxy forms were made available upon request. The Club’s Management received 59 requests for proxy forms. The closing date to vote by proxy form was three days before the Meeting, which was 27 August 2020 at 5.00pm. The proxy forms have been secured in a locked box placed on the stage. The Honorary Secretary suggested that the votes could be counted while the Meeting was in

progress. He called for volunteers, preferably Associate Members, to take up the roles of one (1) Returning Officer and three (3) Scrutinizers.

Mr. Paul Jong (J112) volunteered to be the Returning Officer. Mr. George Ritchie (R054) and Mr. Tan Hun Seang (T761) volunteered to be Scrutinizers. As there were no other volunteers, the Meeting agreed to appoint only the two Scrutinizers instead of three. The Honorary Secretary stated that the counting of the proxy votes would be conducted in the Kingfisher Room.

The Honorary Secretary then informed that under Rule 28.2, every Meeting in the Club shall be chaired by the President, and he proceeded to hand over the chair to the President.

3

PRESIDENT'S ADDRESS

Mr. Melvin Wee Seng Lee (W008) (hereinafter referred to as the “President”) welcomed all members attending the Meeting. Despite the Covid-19 situation, the President was grateful to members who were in attendance at the Meeting.

He proceeded to address the Meeting as follows:

“When I joined the Management Committee in 2010, I never imagined that I would be here as President as we start a new decade. The management of our beloved club is a duty that demands plenty from the Management Committee and I am honoured to serve.

THE COVID 19 PANDEMIC

The challenge to deliver to members the best clubbing experience is tempered by also having to ensure that we are financially stable and capable to weather through the bad times. This Annual General Meeting was in fact planned for the first half of 2020, but the Covid-19 worldwide pandemic threw a spanner in the works. At the time of writing the message and also presently, we are into the recovery phase of the Movement Control Order (“MCO”). The lockdown since mid-March 2020 has had a devastating effect on the Club as it has had on the rest of our community. Throughout the lockdown period of the MCO, the Management Committee sought to ensure minimal disruption in our services to members while complying with the guidelines of the Ministry of Health and the Sarawak Disaster Management Committee and safeguarding the safety and well-being of our members at all times. As lockdown conditions were gradually lifted, clubhouse and sporting facilities have been gradually re-introduced, with close consultation with the SDMC and standard operating procedures put in place. As of now, most of the facilities have been reopened, the Eagle Arms having been reopened about a fortnight ago. We have also applied to the SDMC for the swimming pool to be reopened but we have yet to receive consent from SDMC to do so. We hope that some of the classes for tennis, squash and badminton may resume soon as we return to what it was, pre-MCO days.

Our Club relies, in part, on revenue from our Food and Beverage outlets to fund our operational costs and like any other business, our finances are hard hit by the enforced lockdown. To mitigate the financial impact, the Management Committee has postponed non-essential capital expenditure and is introducing austerity measures to reduce operational expenditures. While there have been calls for the membership subscriptions to be waived during the MCO, it is an expenditure beyond the authority of the Management Committee to waive and the Club has also incurred significant losses due to the shutdown of the F&B outlets. The Club did however waive fees for gym memberships and the library. And, I wish to thank the members for your understanding.

This unexpected financial setback emphasised how crucial it is to have a solid financial reserve upon which we can depend on when hard times hit and also to base our planning for the running of and for measured improvements to the Club. The hard work began 10 years ago. I am thankful that the members have supported the Management Committee in our endeavours through the last decade.

IMPROVEMENTS AT THE SARAWAK CLUB

Renovations in the clubhouse were finally completed in December 2019. With such extensive renovation works happening all over the clubhouse, some inconveniences were unavoidable. While certain facilities were closed, the management has worked around the schedule to make alternative facilities available as best as it could. For example, we reassigned the changing rooms next to the squash courts for swimmers to use while their changing rooms were worked on. The Rajah Room also made way for the Badger Bar while the bar was undergoing renovations – members were then able to enjoy their favourite pint and have their meals in air-conditioned comfort. I am very grateful to all members for your patience and understanding throughout the renovation period.

Arriving at the Club, members and guests will see our enhanced drop-off area, reconfigured lobby, reception counter plus a newly added Members' Lounge. We have also gained a new dining space in the Poolside Terrace – an air-conditioned space accessible to all members including young children. The Eagle Arms is the new home of karaoke, and also for snooker and pools. Since reopening in the final quarter of 2019, we have seen a marked increase in patronage in the Eagle Arms compared to the old Hornbill Karaoke Lounge over the same period in 2018. The Gym, ever popular, gained more floor space while the Studio was also enlarged which allows for bigger classes to be held for various activities there. Both the men's and ladies' changing rooms next to the swimming pool underwent a comprehensive facelift. Also new for our members' enjoyment are the far infra-red saunas in these changing rooms in addition to the steam rooms.

I am encouraged to hear from members who feel that the completed renovations have invigorated the clubhouse and added value to the membership. We have also Junior Members who have decided to convert having seen the new facilities and felt that The Sarawak Club is useful for their purpose. The Management Committee is of the opinion that the Club should continue to evolve with passing time with facilities and conveniences befitting our status as a pre-eminent private members' club and staying relevant to the ever-changing lifestyles in Kuching. It is our hope that the value of our membership will rise on the back of the marked improvements in our facilities and offerings.

ENSURING FUTURE FINANCIAL SUSTAINABILITY

As has been mentioned by past Management Committees, we are planning for the future when we anticipate existing revenue streams to dry up. In particular, the Club has had to rely on Entrance Fees, Membership Transfer Fees and Junior Conversion Fees to offset the annual operational deficit for a number of years as we endeavoured to maintain the monthly membership subscriptions and food and beverage pricing despite rising operational costs in general, and the cost of salaries and wages specifically. In the last couple of years, we tried to not increase the monthly membership subscriptions. The last increment was over 10 years ago and you will see later that our membership subscriptions are probably the lowest amongst premier clubs in Malaysia right now. Also, for F&B pricing, we tried to maintain the prices despite the increasing cost particularly after several rounds of increased minimum wages in the last 10 years imposed by the government. Despite rising operational costs in general, and cost of salary and wages

specifically, we have tried to maintain the monthly subscriptions and F&B prices.

Based on our current membership of 3,683 Ordinary Members and Corporate Members, and our membership cap set at 4,000, we envisage that we will run out of memberships for junior conversion within 6 years based on the average rate of conversion seen in the last few years. The Club has ceased direct sale of Ordinary memberships since 2014 and as such have not generated inflow of funds from Entrance Fees since then. Junior Conversion Fees as a source of funds will also cease when we run out of Ordinary memberships to convert in 6 years' time.

We have seen an increased interest in our memberships and the transacted value of such memberships in the last few years. In view of the increasing scarcity in our Club memberships, it is the Management Committee's view that our memberships must be properly valued to reflect its intrinsic value as well as the increasing demand for our memberships. The Management Committee further believes that a proposed increase in the Entrance Fee can only add value to our membership. At this juncture, I would like to emphasize that it is the duty of the Management Committee that the Club's memberships are properly valued. Based on the statement of financial position as at 31 December 2019 in page 40 of the Annual Report, our accumulated funds stand at RM27 million. Bearing in mind that memberships only exchange hands between existing members and potential members, the Club will impose a higher Transfer Fee. Moving forward, the Transfer Fee will be an increasingly important source of income for the Club when we hit our membership cap.

As we face up to the realities of inflation and rising costs of operations, the Management Committee has looked to raise income from the avenues available to us. Ideally, our membership subscriptions should cover day-to-day costs and should be adjusted from time to time to keep up with inflation. While we are loathed to raise the membership subscriptions, especially in times such as these, we are mindful of the fact that all members have an equal share in our Club and therefore should equally share the burden of running the Club. Therefore, our proposal is to close the gap between the subscription rate of the active member and the absent member, by raising the absent subscription. This change will make it more equitable for all members who are co-owners of the club. And so, I do hope that you will lend your support for the proposed changes that will be put forth at the Annual General Meeting to secure the future of our Club.

APPRECIATION

I wish to thank every member of the Management Committee who has lent their experience and support to me in the running of our Club. With the entire world recoiling from the unexpected pandemic and the reverberations now being felt in all sectors of our economy, the Management Committee will approach 2020 planning for the worst but praying for the best. I am sure that together with all the other members, we will get through it and come out even more resilient.

Throughout the MCO, members have been supportive of the Club by ordering takeaways despite the lockdown. I do hope that members will continue to support the F&B outlets in the coming month. Members can be assured that the health of our members and your guests are always prioritized through social distancing set at the F&B outlets, as well as proper SOPs put in place in the kitchen and every outlet.

Finally, my sincere thanks to the gentlemen who have been pillars of strength to me and the rest of the Management Committee – Past Presidents Dato Richard Wee, Mr. George Lo and En. Shookry Gani. I am honoured to have served with and learnt from them. Equally important are our Honorary Legal Advisor Mr. Chew Pok Oi and External Auditor Mr. Hudson Chua and the

various sub-committees. They have all offered their valuable time to assist the club *pro bono* and their invaluable service and advice have contributed to enriching our clubbing experience and is truly appreciated.

I also wish to thank the General Manager Mr. Robert Brodie and his management team who have managed the Club well along with our staff who have served with dedication in the year in review. They have exemplified concern and care for the Club and its members. Their coordination of the renovation helped in minimising disruptions in our day-to-day experience in the Club.

Finally, I wish to record the Club's gratitude to the late Mr. John Chin, our recently retired Executive Chef who battled an aggressive illness and passed away in May 2020. His culinary legacy will be remembered in the annals of The Sarawak Club.

Thank you."

The Honorary Secretary thanked the President for his address. He then invited the members to comment on the points raised in the President's address. There being no further questions by the members, the Honorary Secretary proceeded to the next Agenda for the Meeting.

TO CONFIRM MINUTES OF THE LAST ANNUAL GENERAL MEETING HELD ON SUNDAY, 16 JUNE 2019

4

The Honorary Secretary requested for confirmation of the Minutes of the Annual General Meeting held on Sunday, 16 June 2019, 10.00am in the Hornbill Restaurant with reference to pages 14 to 32 of the Annual Report 2019.

The Honorary Secretary stated that the Annual Report 2019 was distributed to all members a few weeks prior to the AGM. He invited the members who were present at the last Annual General Meeting to raise any corrections or amendments in the Minutes of the Annual General Meeting 2019.

There being no further comments on the Minutes of the Annual General Meeting 2019, Mdm. Janie Wong Siew Ee (W222) proposed that the Minutes of the Annual General Meeting held on 16 June 2019 be confirmed. This was seconded by Dr. Timothy Hatch (H085). There being no objection, the Minutes of the Annual General Meeting held on 16 June 2019 was thereby duly adopted by the Meeting.

TO RECEIVE, CONSIDER AND APPROVE THE COMMITTEE'S REPORT AND BALANCE SHEET AND WORKING ACCOUNTS FOR THE PRECEDING FINANCIAL

5

The Honorary Secretary informed that the Committee's Report included the Honorary Secretary's report, Catering Member, Bar Member, Sports Member, Games Member, Swimming Member, Entertainment Member and House Member's reports. Also, The Independent Auditors' report, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Fund Balance, Statement of Cash Flow, Notes of Financial Statements and Schedule of Other Operating Expenses were in the Annual Report 2019 for members' scrutiny. The Honorary

Secretary informed that the detailed accounts for Restaurant (pg. 51), Bar (pg. 52), Club activities (pgs. 53 - 54) and Club functions (pg. 55) were also disclosed in the Annual Report 2019. As was practised in previous years' Annual General Meetings, the Honorary Secretary proposed for all the reports to be adopted collectively. Members were invited to raise questions or comment on the Reports.

Dr. Timothy Hatch (H085) opined that the statement that the Club was dependent on F&B operations was misleading, highlighting that Restaurant operations only generated a profit of RM68,000 for FY2019, while Bar generated a loss. The Club maintained a guaranteed income from subscription of over RM3 million a year. The Club was in a wonderful position when compared to other businesses.

Dr. Timothy Hatch also claimed that it was not fair to compare the Club's subscription rate to the other golf clubs in Kuching. Golf clubs have larger facilities to maintain and thus their higher subscription were justifiable. He felt that the Management Committee was taking advantage of the Covid-19 situation to put forth these motions.

Dr. Timothy Hatch cited the Club's strong cash reserves. He asked what the monthly loss incurred was since the MCO restrictions were in place. This would give an indication as to how long the Club could weather the losses given its cash reserves, and this information would be useful in deciding if increasing the subscriptions now was a premature and unneeded action.

Mr. Goh Leng Yeu (G060) reminded the Meeting that the Club is not a profit-oriented business entity and that the Meeting should focus on the aspect that we are a Club. He agreed with Dr. Timothy Hatch's view that business has been bad due to the Covid-19. But for the Club, income is not generated from business but mostly from subscription from members.

The President explained that the financial figures presented in the Annual Report 2019 was as at 31 December 2019. The Covid-19 pandemic has adversely impacted our finances only since the last 3 months, and the Honorary Treasurer will address this later in the Meeting.

The President reiterated that the Motions put forth were not for the sake of increasing the membership subscription, which in fact have not been increased for the past 10 years. Increasing subscription has always been a sensitive matter to members who seek value-for-money. The Management Committee wanted to manage the Club with whatever resources we have available for as long as we can. The Management Committee did not intend to hoard a lot of money. The Club has accumulated significant reserves and this makes it hard for the Management Committee to go to members to ask for an increase in fees. However, based on the trend observed in the last 5 to 10 years, the Club has had an operational deficit every year, which meant that the Club's operating expenses were not covered by our operating income. The Club has relied on non-sustainable income such as membership sales, entrance fees, transfer fee and junior conversion fees to fund year-to-year operational expenses. This was the factual situation.

The President likened the selling of memberships to generate income to be effectively raising capital to fund the operational expenses and this is not sustainable. Within a few years when memberships run out, the Club will see the impact of the operational deficit. The Management Committee has proposed the Motions today to prepare for this eventuality. The Club's funds belong to the members and the Management Committee will manage the funds properly to maximize the benefit for the members. The Management Committee believed that the membership needs to be properly valued. The Club's assets were valued at RM27 million, even disregarding the market value of the land we sit on. The city club's land was valued at RM134,000, while the golf resort land in Samarahan was valued at RM460,000. However, the real value is far greater. Thus, based on asset value our membership is presently undervalued. Obviously, the Entrance Fee is determined by forces of demand and supply and so we must

also ensure that we do not overvalue the membership to a point where it becomes unaffordable for people to obtain.

The President proceeded to invite Mr. Wilson Tan (hereinafter referred to as the “Honorary Treasurer”) to address the financial impact of the Covid-19 on the Club. The Honorary Treasurer reiterated that the accounts presented in the Annual Report 2019 was for the last Financial Year i.e. pre-Covid-19. The Club’s food and beverage sales were still encouraging despite the renovations. The Management Committee had worried that the impact would be worse but patronage picked up in the last quarter of 2019, as our outlets began to reopen.

Then came the Covid-19 pandemic and the MCO starting from 18 March 2020. The lockdown severely affected the Club’s finances, as it has done to almost every other businesses. For the period from March until 31 July 2020, the Club incurred losses of RM564,000. During the MCO, all our outlets were closed, with the exception of takeaways. Takeaway sales averaged RM2,000 per day. Now, in the Recovery Movement Control Order (“RMCO”) our outlets have reopened and daily sales are averaging RM8,500 per day in the month of August. With the RMCO being extended up to the end of the year, the projected loss by the end of the financial year 2020 is roughly RM1 million.

Dr. Timothy Hatch reiterated his point from earlier that the Club held healthy reserves of RM8 million. Even with the projected losses by the end of the year, he opined that the reserves were sufficient to weather the pandemic in the short-term. Raising of subscription fees should be done in a measured way when the impact comes if the pandemic persists. He also queried that if the losses incurred were mainly from the loss of F&B patronage, why did the Honorary Treasurer project an end-of year loss of RM1 million rather than just the RM68,000 surplus that was recorded in FY2019.

The President explained that our F&B operations have already been negatively impacted by the renovations in 2019. Compared to 2018, contributions from F&B was about RM130,000 per annum, while surplus for the FY2018 was RM378,000. Now in 2020 with the Covid-19, the drastic loss of F&B patronage meant that our revenue did not even cover overheads such as salaries and wages. Thus, the projected loss of RM1 million for the year 2020. The President commented that reliance on income from the F&B outlets are a double-edged sword. The Club has been structured such that we have expanded our F&B operations significantly over the last 20 to 30 years to help to fund our operations. But, along with that expansion, overhead costs have increased i.e. employing additional staff to carry out the business at a scale needed to help to fund our operations. The running costs of the F&B operations of this size is significant. Without the business that our F&B operation brings in, we cannot cover the Club’s F&B outlets’ overhead costs. Therefore, this will eat into the Club’s other sources of income like the membership subscriptions. This was the situation the Club was faced with.

The President addressed Dr. Timothy Hatch’s query concerning the proposed increase in the subscription for Absent members. The Management Committee was wary of imposing any large increases in subscription. It was why the proposed increase in subscription was focused on the Absent Member subscription, and the increases put forth for consideration would be implemented over the next 3 years. There are more than 1,000 Absent Members, or about a third of our members. Ideally, we would like all members to be active members who actively patronize the Club. Presently, Absent Member subscription is RM30 per month. Many absent members are sentimental towards this Club and do not want to dispose of it even though they have migrated or moved away permanently. With the proposed increase in Absent Member Fees, members who think it is not worthwhile to maintain their absent membership could make plans to transfer the membership. The proposed increase in Absent Member Fee is a step-up and not a complete revocation of the Absent Member category. It is a gradual implementation for the Club to prepare for the time when we have reached our membership limits and can no longer collect Junior Conversion Fees.

The Honorary Secretary also commented on the comparison of our membership subscription against other clubs in the country, including other non-golfing clubs. He drew comparison to the Royal Lake Club, Penang Club, Penang Sports Club and Royal Selangor Club which were all non-golfing clubs but have subscription fees at least twice that of our subscription fee. The President added that some golf clubs charge additional golfing fees on top of their membership subscriptions.

Dr. Timothy Hatch opined that the Management Committee had not thought this through properly. He also wanted to know the proportion of spending in banquets by members and non-members in the Club.

The President stated that the spending in the Club were exclusive to members only. Banquets held in the Club were by members and paid for by members. It is one of the privileges of membership that members are allowed to introduce their guests to dine in the Club. Members join the Club with the expectation that they can have their family dinners, banquets or company dinners in the Club. Those attending these members' events such as their birthdays, weddings or company events will include non-members attending as invited guests of the members. As to the figures for banquets vs casual dining, the General Manager can provide that. The Club also has premium rates for banquets as compared to casual dining, so as to ensure adequate capacity for casual dining.

Mr. Dunstan Chan (C353) commented that this discussion had no relevance in this Meeting. It would only become an issue if members' guests affect the members' right to enjoy the Club. At the moment, there is no issue as we, the members, are not affected by the guests who are invited here to dine.

There being no further questions by the members, the President requested that the Meeting move to confirm the Committee's Reports collectively. The Honorary Secretary requested for a Proposer and a Secunder for all the Committee's Reports, the Balance Sheet and Working Accounts to be confirmed. This was proposed by Mr. Jong Ah Jude (J008) and seconded by Mr. Hsiung Kwo Hwa (H107). Thus, all the Committee's Reports, the Balance Sheet and Working Accounts were duly adopted by the Members present.

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TO ELECT AND APPOINT THE FOLLOWING FOR THE ENSUING YEAR

The Meeting proceeded to the appointment of the Auditors, the three (3) Officers for the purpose of Section 9(b) and a Public Officer for the purpose of Section 9(c) of the Societies Act 1966.

6.1 THE AUDITORS

The current Auditor of The Sarawak Club is Crowe Malaysia, who were prepared to continue their service. The Management Committee recommended that Crowe Malaysia be re-appointed as the Auditor of The Sarawak Club for the ensuing year. The appointment was proposed by Dato Sri Charles Voon (V022) and seconded by Mr. Hsiung Kwo Hwa (H107). The Meeting adopted the proposal for the appointment of Crowe Malaysia as The Sarawak Club's Auditor for the ensuing year.

6.2 THREE (3) OFFICERS FOR THE PURPOSE OF SECTION 9(B) OF THE SOCIETIES ACT 1966

The President explained that, by convention, the persons appointed as the three Officers for the purpose of Section 9(b) of the Societies Act 1966 comprise the President, the Honorary Secretary and the Honorary Treasurer. Therefore, the persons who would be appointed for the

purpose of Section 9(b) were Mr. Melvin Wee Seng Lee (W008), Mr. Christopher Tan (C157) and Mr. Wilson Tan (T407). This was proposed by Mr. Dunstan Chan (C353) and seconded by Mr. Chew Pok Oi (C111), and adopted by the Meeting.

6.3 A PUBLIC OFFICER FOR THE PURPOSE OF SECTION 9(C) OF THE SOCIETIES ACT 1966

The President explained that the Honorary Secretary was, by convention, appointed as the Public Officer for the purpose of Section 9(c) of the Societies Act 1966. Mr. Christopher Tan (C157) will be appointed as Public Officer for the purpose of Section 9(c) of the Societies Act 1966. This was proposed by Mr. Chew Pok Oi (C111) and seconded by Mr. Dunstan Chan (C353), and adopted by the Meeting.

TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE HAD BEEN GIVEN OR WHICH IF RAISED WITHOUT DUE NOTICE, IS ADMITTED FOR DISCUSSION BY A MAJORITY OF MEMBERS PRESENT AND VOTING PROVIDED THAT NO MOTION FOR THE AMENDMENT OR REPEAL OF ANY EXISTING RULE OR THE MAKING OF ANY NEW RULE SHALL BE DISCUSSED UNLESS DUE NOTICE THEREOF SHALL HAVE BEEN GIVEN IN ACCORDANCE WITH RULE 32.

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The Honorary Secretary informed the Meeting that there were four motions being presented to members; proposed by the President, Mr. Melvin Wee (W008) and seconded by the Honorary Secretary, Mr. Christopher Tan (C157). Notice of the Motions were circulated with the Notice of AGM. It can be found in pages 8 to 11 of the Annual Report 2019. The preamble can be found in pages 6 to 7. The Honorary Secretary then invited the President to explain the Motions.

The President stated that the four motions presented today were inter-related but the Motions would be moved separately. The Motions were meant to ensure the continued financial viability of our Club in the medium- to long-term. There were some discussions regarding the financial position when the financial reports were tabled earlier. As presented in the Financial Report for 2019, the Club was still performing relatively well. The Club managed to grow our reserves over the last 10 years and on top of that, the Management Committee had planned to expand and to improve the facilities over a period of 2 to 3 years so that the members can continue to enjoy a high standard of facilities that they should come to expect from a club of our status.

The Honorary Treasurer had earlier presented the snapshot of the financial impact of Covid-19 on the Club. We project a loss of about RM1 million based on current trends under the extended RMCO.

In fact, the four Motions that will be put up for members' consideration and voting today have been planned for even before Covid-19. The Management Committee wanted to address some of the fundamental issues that the Club would be facing in the medium- to long-term to safeguard the continued financial strength of the Club. The changes being proposed would bring about a more realistic and sustainable source of income to fund our expenses and operations.

The Club's membership limit is 4,000 members specified in Club Rule 6.2.1. So, the Club can only have a maximum of 4,000 members. This limit can only be changed by a resolution in an AGM. However, the Management Committee opined that the 4,000-membership limit is a sound figure so the Club would not be overcrowded.

As of 01 July 2020, the Club had 3,667 Ordinary and Corporate Members. The remaining unsubscribed memberships have been assigned to Junior Members converting to Ordinary Members and sale of Corporate Memberships. The Club can actually raise more funds if we resumed selling unsubscribed memberships. There is a demand for our membership. In 2019, there were 54 Junior Conversions which generated fees of RM459,000. Without these Junior Conversion fees, we would have been in a deficit. So, it is not only the F&B that funds the Club's operation but such fees too. The loss of this income which is a significant amount was what concerns the Management Committee. The Club was projected to reach its membership limit in about 6 years. When that happens, the Club would face a shortfall of income in the region of RM500,000 per year. Based on Financial Year 2019, the Club would have run a deficit of RM355,000 if the Club did not have this income from junior conversion fees. While the Club has accumulated reserves, the reserves are needed for future upgrading works to our Club and to ensure that we have sufficient funds to rely on; a perfect case in point being the Covid-19 lockdown.

It is necessary for the Club to undertake repairs and to upgrade our facilities for the Club to remain a pre-eminent private members' club. The Club is faced with all kinds of competition, especially for our F&B outlets with there being many other offerings all over town. If we do not have the right ambience or interior design, we are not going to attract members. In years to come, there will be lifestyle changes where condominiums may offer better amenities and if the Club does not continue to improve, the Club will become irrelevant. We need to constantly improve to continue as a quality club. That is what our reserves are for.

As a responsible Management Committee, we need to ensure that we do not rely on non-sustainable sources of income to fund recurring operational expenditure. In anticipation of this scenario, the Management Committee has considered many different options available to make up for this future income lost. The most direct way would be to raise monthly subscriptions, which has not been increased for the last 10 years. But the Management Committee is also mindful to keep monthly subscriptions affordable.

In fact, the last increase in monthly membership subscriptions was in 2010 taking our Active Ordinary Member Subscription to RM70 per month. In comparison, the monthly membership subscription of various private clubs in Malaysia are as follows:

a) Kelab Golf Sarawak	RM120
b) Samarahan Country Club	RM100
c) Royal Selangor Club	RM150
d) Royal Lake Club	RM155
e) Penang Club	RM150
f) Penang Sports Club	RM130

Over the last ten years, the Club's financial position has improved significantly. The Net Tangible Assets of the Club has increased from RM18.8 million in 2010 to RM27.3 million in 2019. The

land on which the Club sits on has a value of RM134,636 while the golf resort land in Samarahan is valued at RM496,783. A re-valuation of our assets would undoubtedly push up the value of our Net Tangible Assets. Every member who joins this Club owns a share of this RM20 - RM40 million. Thus, the Club membership has to be properly valued. On top of that, demand for our Club membership has been rising and members have been quite reluctant to sell unless they get the value that they want. The completion of the renovations has added value to the Club and has attracted more people to join.

Premised on the above, the Management Committee proposed to implement the following changes (a) revising the Entrance Fee for Ordinary Membership from RM28,000 to RM40,000, (b) revising the Transfer Fee from RM2,500 to RM4,000; and subject to Members approval of the following Motions:

- (1) To amend Rule 22.1.2 to revise the range of the Extension Licence Fee for Term Member from 'RM1,500.00 to RM3,000.00' to 'RM3,000.00 to RM8,000.00'.
- (2) To amend Rule 22.1.3 to revise the range of the Entrance Fee for Corporate Member from RM35,000.00 to RM60,000.00 to RM100,000.00 to RM150,000.00.
- (3) To amend Rule 23.1.2 (c) for the General Meeting to fix the subscription fee for Absent Members as follows:-
 - i. From January 2021: RM50 per month
 - ii. From January 2022: RM60 per month
 - iii. From January 2023: RM70 per month; and
- (4) To amend Rule 7.8.7 to revise the floor fee of the Junior Conversion Fee from RM8,000.00 to RM12,000.00.

These reflect the proposed increase in Entrance Fee from RM28,000 to RM40,000. Having reserved the remaining numbers of unsubscribed memberships for Junior Conversions, the Management Committee opined that it is fair that those wanting to convert pay a more reasonable amount to reflect the real value of the membership. The proposed changes will enhance the value of our membership while raising the bar for the Club to welcome new quality members into the fold.

7.1 MOTION NO.: AGM/2020/01 - To Change the Prescribed Range for the Annual Extension Licence Fee for Term Membership – Amendment to Club Rule 22.1.2

Motion No. AGM/2020/01 (Annexure 1) was proposed by Mr. Melvin Wee Seng Lee (W008) and seconded by Mr. Christopher Tan (C157).

Motion No. AGM/2020/01 reads “To amend Club Rule 22.1.2 to change the prescribed range for the annual Extension Licence Fee for Term Membership. The present range is not less than RM1,500.00 nor exceed RM3,000.00. This Motion proposes to change the range to not less than RM3,000.00 nor exceed RM8,000.00.”

Club Rule	Presently	Proposed Amendment
22.1.2 – ENTRANCE FEES AND DEPOSITS		
	A Term Member shall on election, pay a Licence Fee of such a sum as shall be fixed by the Management Committee provided that the Licence Fee shall not be less than RM1,000.00 nor exceed RM8,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time, the annual Extension Licence Fee shall not be less than RM1,500.00 nor exceed RM3,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time.	A Term Member shall on election, pay a Licence Fee of such a sum as shall be fixed by the Management Committee provided that the Licence Fee shall not be less than RM1,000.00 nor exceed RM8,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time, the annual Extension Licence Fee shall not be less than RM3,000.00 nor exceed RM8,000.00 , the prescribed range of which shall be decided by the General Meeting of the Club from time to time.

The explanatory notes reads “Following the completed renovations and improvements to the club house, the Management Committee is of the view this has added value to the membership of The Sarawak Club. As of 01 July 2020, the number of members stands at 3,667. As the number of members nears the membership limit of 4,000 (re: Club Rule 6.2.1), the value of the membership should rise as memberships are in short supply. The proposed revision in annual Extension Licence Fee for Term Membership is to bring it in line with the proposed revision in the Entrance Fee for Ordinary membership.”

The Honorary Secretary informed the Meeting that the number of members who have registered as at 11.31am was 84. He reminded the Meeting that members who have submitted a proxy vote but were in attendance in this Meeting would have their proxy vote invalidated.

The President invited the members to raise questions or to comment on the Motion AGM/2020/01. There being no comments, the Honorary Secretary proposed to proceed to vote on Motion No. AGM/2020/01. The vote was by a show of hands and proxy votes.

The President proposed to only announce the result of voting after all the Motions were tabled.

7.2 MOTION NO.: AGM/2020/02 – To Change the Prescribed Range for the Entrance Fee for Corporate Membership – Amendment to Club Rule 22.1.3

Motion No. AGM/2020/02 (Annexure 1) was proposed by Mr. Melvin Wee Seng Lee (W008) and seconded by Mr. Christopher Tan (C157).

Motion No. AGM/2020/02 reads “To amend Club Rule 22.1.3 to change the prescribed range for the Entrance Fee for Corporate Membership. The present range is not less than RM35,000.00 nor exceed RM60,000.00. This Motion proposes to change the range to not less than RM100,000.00 nor exceed RM150,000.00.”

Club Rule	Presently	Proposed Amendment
22.1.3 – ENTRANCE FEES AND DEPOSITS		
	The first Corporate representative of a Corporate Member acquiring membership otherwise than from a purchase thereof shall on election pay such Entrance Fee of such a sum as shall be fixed by the Management Committee provided that the Entrance Fee shall not be less than RM35,000.00 nor exceed RM60,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time.	The first Corporate representative of a Corporate Member acquiring membership otherwise than from a purchase thereof shall on election pay such Entrance Fee of such a sum as shall be fixed by the Management Committee provided that the Entrance Fee shall not be less than RM100,000.00 nor exceed RM150,000.00 , the prescribed range of which shall be decided by the General Meeting of the Club from time to time.

The explanatory notes reads “Following the completed renovations and improvements to the club house, the Management Committee is of the view this has added value to the membership of The Sarawak Club. As of 01 July 2020, the number of members stands at 3,667. As the number of members nears the membership limit of 4,000 (re: Club Rule 6.2.1), the value of the membership should rise as memberships are in short supply. The Entrance Fee for Corporate Membership is presently set at RM60,000.00 which is the upper limit of the prescribed range. With the proposed change to the prescribed range, the Management Committee intends to revise the Entrance Fee for Corporate Membership to RM100,000.00 to bring it in line with the proposed revision in the Entrance Fee for Ordinary membership.”

The President explained that the Club has already reached the upper limit of the prescribed range for the Entrance Fee for Corporate Membership. And with the proposed increase of the Entrance Fee for Ordinary membership to RM40,000, the Management Committee believed that the Corporate Membership fee should rise accordingly.

The President then invited the members to raise questions or to comment on the Motion AGM/2020/02. There being no comments, the Honorary Secretary proposed to proceed to vote on Motion No. AGM/2020/02. The vote was by a show of hands and proxy votes.

7.3 MOTION NO.: AGM/2020/03 – To Change Subscription Fee for Absent Ordinary Members and Corporate Representatives – Club Rule 23.1.2 (c)

Motion No. AGM/2020/03 (Annexure 1) was proposed by Mr. Melvin Wee Seng Lee (W008) and seconded by Mr. Christopher Tan (C157).

Motion No. AGM/2020/03 reads “To change the subscription fee for Absent Ordinary members and Corporate representatives. The present prescribed range is not less than RM30.00 per month nor exceed RM200.00 per month. The present subscription is RM30 per month. This Motion proposes to change the subscription fee to the following:-

- 1) From January 2021: RM50 per month
- 2) From January 2022: RM60 per month
- 3) From January 2023: RM70 per month”.

Club Rule 23.1.2 (c) states:

Subscriptions payable by members for each category of membership shall be as follows:

Absent..... RM30/- to RM200/- per month

Provided always where there is a prescribed range of Subscription fee rate, the prevailing rate to be charged by the Club shall be fixed by a General Meeting of the Club from time to time.”

The President explained that this particular Rule required the AGM to set the subscription rate for Absent Members even though there was already a given range. The existing range was between RM30 to RM200 per month. The Management Committee planned to set a new subscription fee for Absent members and this required the approval of the AGM.

The explanatory notes reads:

1. As of 01 July 2020, the number of members stands at 3,667.
2. The total number of Absent Members as of 01 July 2020 is 1,104 representing 30% of the Ordinary Members of the Club.
3. As all members are equal co-owners of the club, it is reasonable to expect all members to share the cost of running the club and most of the private members’ club do not have a category of “Absent Members” particularly private clubs with transferable memberships. Presently, income from subscription alone is not enough to cover the operating cost of the club.
4. When the number of members reaches the membership limit of 4,000 (re: Club Rule 6.2.1), there will not be any memberships available for junior conversions and thus, the Club will have to overcome a shortfall in revenue from the loss of junior conversion fees. In FY2019, conversion fees contributed RM459,000 to our income. Without this income, the Club would be facing a deficit of RM355,000.
5. The Management Committee proposes to gradually raise subscription fee for absent Ordinary members and Corporate representatives from its present rate of RM30.00 per month to RM70.00 per month, over the three consecutive years.

6. It is the intention of the Club that once the monthly subscription of Absent Members reach parity with that of Ordinary Members, the Absent Members can revert their membership to Ordinary membership, enjoying full use of facilities of the Club or alternatively if such members feel that they do not intend to make use of the facilities of the club, they will have the option of selling their memberships. The Management Committee intends to raise the Entrance Fee from RM28,000 to RM40,000 and this would be to the benefit of all members, including those members who wish to sell their memberships.

The President then invited the members to raise questions or to comment on the Motion AGM/2020/03.

Dr. Timothy Hatch (H085) sought clarification on the number of Absent Members. The President explained that the 1,104 Absent Members were part of the overall 3,667 members.

There being are no further comments, the Honorary Secretary proposed to proceed to vote on Motion No. AGM/2020/03 . The vote was by a show of hands and proxy votes.

7.4 Motion No.: AGM/2020/04 – To Change the Junior Conversion Fee – Amendment to Club Rule 7.8.7

Motion No. AGM/2020/04 (Annexure 1) was proposed by Mr. Melvin Wee Seng Lee (W008) and seconded by Mr. Christopher Tan (C157).

Motion No. AGM/2020/02 reads “To amend Club Rule 7.8.7 to change the junior conversion fee. Presently, the junior conversion fee is set at a sum equivalent to 75% of the value of the average price taken from the immediate three preceding Ordinary Membership sales registered by the Club or RM8,000.00, whichever is lower. The proposed change is to revise the junior conversion fee to RM12,000.00.”

Club Rule	Presently	Proposed Amendment
7.8.7 – ASSOCIATE CHILD AND JUNIOR MEMBER		
	The Junior Members above the age of majority who wish to convert to become Ordinary Members, may prior to attaining the age of twenty one (21) years acquire a membership from the unsubscribed membership of the Club by payment of a sum equivalent to 75% of the value of the average price taken from the immediate three preceding Ordinary Membership sales registered by the Club or RM8,000.00, whichever is lower.	The Junior Members above the age of majority who wish to convert to become Ordinary Members, may prior to attaining the age of twenty one (21) years acquire a membership from the unsubscribed membership of the Club by payment of a sum equivalent to 75% of the value of the average price taken from the immediate three preceding Ordinary Membership sales registered by the Club or RM12,000.00 , whichever is lower.

The explanatory notes reads:

1. As of 01 July 2020, the number of members stands at 3,667. As the number of members nears the membership limit of 4,000 (re: Club Rule 6.2.1), the value of the membership has risen as memberships are in short supply. It is the Committee’s view that the Club’s membership should be properly valued to reflect its intrinsic value, limited supply and high demand.

2. The proposed increase to the conversion fee is justified by the intended increase of the Entrance Fee for Ordinary membership. Presently, the conversion fee is RM8,000 and the Entrance Fee is RM28,000, i.e. a saving of RM20,000 to the parent. The ratio of conversion fee to entrance fee for Ordinary Membership is 29%. This Motion proposes a revised conversion fee of RM12,000 while the Management Committee will set Entrance Fee at RM40,000, i.e. a saving of RM28,000 to the parent. The proposed change maintains a similar ratio of 30%
3. The Management Committee believes that the increase in conversion fee is more than compensated by the increase in value of the Ordinary membership i.e. from RM28,000 to RM40,000.

The President explained that because of the proposed increase to the Entrance Fee, the Management Committee believed it was necessary to also revise the junior conversion fee to reflect the real value of conversion from Junior Member to Ordinary Member.

The President invited the members to raise questions or to comment on the Motion AGM/2020/04. There being no comments, the Honorary Secretary proposed to proceed to vote on Motion No. AGM/2020/04. The vote was by a show of hands and proxy votes.

7.5 Results for Motion No.: AGM/2020/01, AGM/2020/02, AGM/2020/03 and AGM/2020/04.

The Honorary Secretary announced the results for all four Motions.

The result for **Motion No.: AGM/2020/01** was as follows:

	IN FAVOUR	AGAINST
Show of Hands	42	0
Proxy Votes	29	1
TOTAL	71	1

The result for the vote on Motion AGM/2020/01 was 71 votes in favour vs. 1 vote against. The President declared that the Motion AGM/2020/01 was carried.

The result for **Motion No.: AGM/2020/02** was as follows:

	IN FAVOUR	AGAINST
Show of Hands	48	0
Proxy Votes	28	2
TOTAL	76	2

The result for the vote on Motion AGM/2020/02 was 76 votes in favour vs. 2 votes against. The President declared that the Motion AGM/2020/02 was carried.

The result for **Motion No.: AGM/2020/03** was as follows:

	IN FAVOUR	AGAINST
Show of Hands	56	3
Proxy Votes	23	7
TOTAL	79	10

The result for the vote on Motion AGM/2020/03 was 79 votes in favour vs. 10 votes against. The President declared that the Motion AGM/2020/03 was carried.

The result for **Motion No.: AGM/2020/04** was as follows:

	IN FAVOUR	AGAINST
Show of Hands	54	4
Proxy Votes	20	9
TOTAL	74	13

The result for the vote on Motion AGM/2020/04 was 74 votes in favour vs. 13 votes against. The President declared that the Motion AGM/2020/04 was carried.

INTRODUCTION OF THE NEW EXECUTIVE CHEF

8

The President introduced the Club's new Executive Chef to the Members. The Honorary Secretary mentioned that the Club was known for its dishes and many people from the public liked to join the Club to enjoy our food. This was the legacy left by the late Chef John Chin. But years before the retirement of the late Chef John Chin in January 2020, he had begun grooming his protégé. Chef Tay Soon Kheng joined the Club as a kitchen hand in his teens but left to gain more experience. He returned in 2014 as the late Chef John Chin's assistant. Chef Tay has worked closely with the late Chef John Chin, and has now stepped up as our new Executive Chef. Chef Tay's specialty is in vegetarian cuisine. He has participated in many international culinary competitions, some of which he has won, and has even been invited as a demonstrator.

The President commented that the members have been enjoying Chef Tay's new culinary offerings in the last year. Chef Tay has created many new dishes which have proven popular with Members. The Honorary Secretary shared that he has received many positive feedback from members who enjoyed the Club's food and have also noticed improvements in the variety of food served in the Club.

Dato Richard Wee (W001) wished to record a vote of thanks to the Management Committee for doing a good job and for proposing changes to the Club. As the Immediate Past President, he wanted to record his appreciation to the late Chef John Chin for his contributions over three decades of loyal service to the Club, which have raised the standards of our restaurant and enhanced the reputation of The Sarawak Club in the process.

8.1 CLOSING

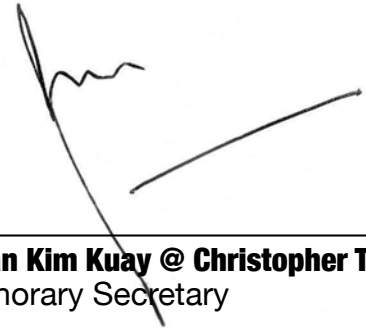
The President recorded his deep appreciation for the late Chef John Chin who has contributed much to the Club. The Members have enjoyed his dishes through the decades and our restaurants have helped to sustain the Club through the difficult times. The President also recorded his thanks for the Club's Immediate Past President, Dato Richard Wee (W001) and the Honorary Legal Advisor, Mr. Chew Pok Oi (C111), who have offered their advice and guidance whenever needed, and to Mr. Hudson Chua who assisted the Management Committee with advice and helped to scrutinize the Club's accounts. The President also recorded his thanks to the Management Committee members and its sub-committee members.

The President thanked the members for attending this Meeting during these cautious times and reassured members that the Management Committee will persevere to manage the Club to the best of its abilities in these challenging times.

The Meeting was adjourned at 12.06pm.



Melvin Wee Seng Lee
President



Chan Kim Kuay @ Christopher Tan
Honorary Secretary

THE SARAWAK CLUB

Jalan Taman Budaya 93000 Kuching Sarawak Malaysia
Telephone (082) 242299 Facsimile (082) 245654 E-mail : info@sarawakclub.com

Preamble

Dear fellow Members of The Sarawak Club,

1. There are four Motions which the Management Committee will present to the members. The Motions are meant to ensure the continued financial viability of our Club in the medium to long term.
2. The Club's membership limit is 4,000 members (re: Club Rule 6.2.1). This limit can only be changed by a resolution by the members. However, the Management Committee is of the opinion that the 4,000 limit is a sound and reasonable limit based on the present capacity of the club. Increasing this limit opens up the possibility of overcrowding in the absence of substantial increase in capacity.
3. As of 01 July 2020, we have 3,667 Ordinary and Corporate memberships. The remaining unsubscribed memberships have been assigned to Junior Members converting to Ordinary members and sale of Corporate Memberships. In 2019, there were 54 junior conversions which generated much needed income of RM459,000. Based on this number of junior conversions, we can expect to exhaust our remaining unsubscribed memberships in roughly 6 years.
4. Based on financial year 2019, the Club would have run a deficit of RM355,000 if we do not take into account the income from junior conversion.
5. While the Club has accumulated reserves, these reserves are needed to ensure that we have sufficient funds to rely on such as during the recent Covid-19 pandemic lockdown and the continued economic recession we are faced with as well as to expend on capital expenditure for repair and upgrading works on our facilities.
6. As a responsible Management Committee, we need to ensure that we do not rely on a non-sustainable source of funding to fund recurring operational expenditure.
7. In anticipation of this scenario, the Management Committee has considered many different options available to make up for this future income lost. The most direct way would be to raise the monthly subscription but we are always mindful of keeping monthly subscription affordable to members to maintain their membership of the club particularly in the present economic situation.
8. In fact, the last increment in monthly membership subscriptions was in 2010 rendering the current Member Subscription at RM70 per month. By way of comparison, the monthly membership subscription of various private clubs in Malaysia is as follows:

a) Kelab Golf Sarawak	RM120
b) Samarahan Country Club	RM100

c) Royal Selangor Club	RM150
d) Royal Lake Club	RM155
e) Penang Club	RM150
f) Penang Sports Club	RM130

9. Over the last ten (10) years, the Club's financial condition has improved significantly. The Net Tangible Asset of the Club has increased from RM18.8 million in 2010 to RM27.3 million in 2019. Over that period, there has been a marked improvement in the demand for our club memberships as well as in the transacted sum for our club memberships. The recently completed renovations have added to the appeal in our membership.
10. Premised on the above, the Management Committee proposes to implement the following changes (a) revising the Entrance Fee for Ordinary Membership from RM28,000 to RM40,000, (b) revising the Transfer Fee from RM2,500 to RM4,000; and subject to your approval of the following Motions:
- (1) To amend Rule 22.1.2 to revise the range of the Extension Licence Fee for Term Member from RM1,500.00 to RM3,000.00 to RM3,000.00 to RM8,000.00.
 - (2) To amend Rule 22.1.3 to revise the range of the Entrance Fee for Corporate Member from RM35,000.00 to RM60,000.00 to RM100,000.00 to RM150,000.00.
 - (3) To amend Rule 23.1.2 (c) for the General Meeting to fix the subscription fee for Absent Members as follows:-
 - i. From January 2021: RM50 per month
 - ii. From January 2022: RM60 per month
 - iii. From January 2023: RM70 per month; and
 - (4) To amend Rule 7.8.7 to revise the floor fee of the Junior Conversion Fee from RM8,000.00 to RM12,000.00.

We believe the above will enhance the value of our membership, promote equality among our members and at the same time raising the bar for the club to welcome quality members into the club.

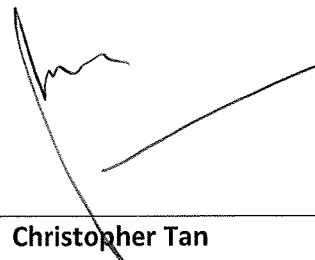
We trust the proposed Motions are in the best interest of members and of our Club in the long term. Your support is greatly appreciated.

Thank you.



Melvin Wee Seng Lee

PRESIDENT



Christopher Tan

HONORARY SECRETARY

MOTION NO: AGM/2020/01**TO CHANGE THE PRESCRIBED RANGE FOR THE ANNUAL EXTENSION LICENCE FEE FOR TERM MEMBERSHIP – AMENDMENT TO CLUB RULE 22.1.2**

To amend Club Rule 22.1.2 to change the prescribed range for the annual Extension Licence Fee for Term Membership. The present range is not less than RM1,500.00 nor exceed RM3,000.00. This Motion proposes to change the range to not less than RM3,000.00 nor exceed RM8,000.00.

Club Rule	Presently	Proposed Amendment
22.1.2 – ENTRANCE FEES AND DEPOSITS		
	A Term Member shall on election, pay a Licence Fee of such a sum as shall be fixed by the Management Committee provided that the Licence Fee shall not be less than RM1,000.00 nor exceed RM8,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time, the annual Extension Licence Fee shall not be less than RM1,500.00 nor exceed RM3,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time.	A Term Member shall on election, pay a Licence Fee of such a sum as shall be fixed by the Management Committee provided that the Licence Fee shall not be less than RM1,000.00 nor exceed RM8,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time, the annual Extension Licence Fee shall not be less than RM3,000.00 nor exceed RM8,000.00 , the prescribed range of which shall be decided by the General Meeting of the Club from time to time.

EXPLANATORY NOTES TO THE MOTION

Following the completed renovations and improvements to the club house, the Management Committee is of the view this has added value to the membership of The Sarawak Club. As of 01 July 2020, the number of members stands at 3,667. As the number of members nears the membership limit of 4,000 (re: Club Rule 6.2.1), the value of the membership should rise as memberships are in short supply. The proposed revision in annual Extension Licence Fee for Term Membership is to bring it in line with the proposed revision in the Entrance Fee for Ordinary membership.

MOTION NO: AGM/2020/02**TO CHANGE THE PRESCRIBED RANGE FOR THE ENTRANCE FEE FOR CORPORATE MEMBERSHIP – AMENDMENT TO CLUB RULE 22.1.3**

To amend Club Rule 22.1.3 to change the prescribed range for the Entrance Fee for Corporate Membership. The present range is not less than RM35,000.00 nor exceed RM60,000.00. This Motion proposes to change the range to not less than RM100,000.00 nor exceed RM150,000.00.

Club Rule	Presently	Proposed Amendment
22.1.3 – ENTRANCE FEES AND DEPOSITS		
	The first Corporate representative of a Corporate Member acquiring membership otherwise than from a purchase thereof shall on election pay such Entrance Fee of such a sum as shall be fixed by the Management Committee provided that the Entrance Fee shall not be less than RM35,000.00 nor exceed RM60,000.00, the prescribed range of which shall be decided by the General Meeting of the Club from time to time.	The first Corporate representative of a Corporate Member acquiring membership otherwise than from a purchase thereof shall on election pay such Entrance Fee of such a sum as shall be fixed by the Management Committee provided that the Entrance Fee shall not be less than <u>RM100,000.00</u> nor exceed <u>RM150,000.00</u> , the prescribed range of which shall be decided by the General Meeting of the Club from time to time.

EXPLANATORY NOTES TO THE MOTION

Following the completed renovations and improvements to the club house, the Management Committee is of the view this has added value to the membership of The Sarawak Club. As of 01 July 2020, the number of members stands at 3,667. As the number of members nears the membership limit of 4,000 (re: Club Rule 6.2.1), the value of the membership should rise as memberships are in short supply. The Entrance Fee for Corporate Membership is presently set at RM60,000.00 which is the upper limit of the prescribed range. With the proposed change to the prescribed range, the Management Committee intends to revise the Entrance Fee for Corporate Membership to RM100,000.00 to bring it in line with the proposed revision in the Entrance Fee for Ordinary membership.

MOTION NO: AGM/2020/03**TO CHANGE THE SUBSCRIPTION FEE FOR ABSENT ORDINARY MEMBERS AND CORPORATE REPRESENTATIVES – CLUB RULE 23.1.2 (c)**

To change the subscription fee for Absent Ordinary members and Corporate representatives. The present prescribed range is not less than RM30.00 per month nor exceed RM200.00 per month. The present subscription is RM30 per month. This Motion proposes to change the subscription fee to the following:-

- 1) From January 2021: RM50 per month
- 2) From January 2022: RM60 per month
- 3) From January 2023: RM70 per month

Club Rule 23.1.2 (c) states:

Subscriptions payable by members for each category of membership shall be as follows: Absent..... RM30/- to RM200/- per month

Provided always where there is a prescribed range of Subscription fee rate, the prevailing rate to be charged by the Club shall be fixed by a General Meeting of the Club from time to time.

EXPLANATORY NOTES TO THE MOTION

1. As of 01 July 2020, the number of members stands at 3,667.
2. The total number of Absent Members as of 01 July 2020 is 1,104 representing 30% of the Ordinary Members of the Club.
3. As all members are equal co-owners of the club, it is reasonable to expect all members to share the cost of running the club and most of the private members' club do not have a category of "Absent Members" particularly private clubs with transferable memberships. Presently, income from subscription alone is not enough to cover the operating cost of the club.
4. When the number of members reaches the membership limit of 4,000 (re: Club Rule 6.2.1), there will not be any memberships available for junior conversions and thus, the Club will have to overcome a shortfall in revenue from the loss of junior conversion fees. In FY2019, conversion fees contributed RM459,000 to our income. Without this income, the Club would be facing a deficit of RM355,000.
5. The Management Committee proposes to gradually raise subscription fee for absent Ordinary members and Corporate representatives from its present rate of RM30.00 per month to RM70.00 per month, over the three consecutive years.
6. It is the intention of the Club that once the monthly subscription of Absent Members reach parity with that of Ordinary Members, the Absent Members can revert their membership to Ordinary membership, enjoying full use of facilities of the Club or alternatively if such members feel that they do not intend to make use of the facilities of the club, they will have the option of selling their memberships.

The Management Committee intends to raise the Entrance Fee from RM28,000 to RM40,000 and this would be to the benefit of all members, including those members who wish to sell their memberships.

MOTION NO: AGM/2020/04

TO CHANGE THE JUNIOR CONVERSION FEE – AMENDMENT TO CLUB RULE 7.8.7

To amend Club Rule 7.8.7 to change the junior conversion fee. Presently, the junior conversion fee is set at a sum equivalent to 75% of the value of the average price taken from the immediate three preceding Ordinary Membership sales registered by the Club or RM8,000.00, whichever is lower. The proposed change is to revise the junior conversion fee to RM12,000.00.

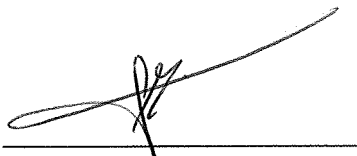
Club Rule	Presently	Proposed Amendment
7.8.7 – ASSOCIATE CHILD AND JUNIOR MEMBER		
	The Junior Members above the age of majority who wish to convert to become Ordinary Members, may prior to attaining the age of twenty one (21) years acquire a membership from the unsubscribed membership of the Club by payment of a sum equivalent to 75% of the value of the average price taken from the immediate three preceding Ordinary Membership sales registered by the Club or RM8,000.00, whichever is lower.	The Junior Members above the age of majority who wish to convert to become Ordinary Members, may prior to attaining the age of twenty one (21) years acquire a membership from the unsubscribed membership of the Club by payment of a sum equivalent to 75% of the value of the average price taken from the immediate three preceding Ordinary Membership sales registered by the Club or <u>RM12,000.00</u> , whichever is lower.

EXPLANATORY NOTES TO THE MOTION

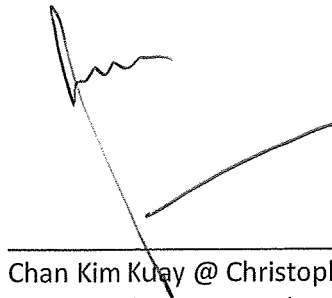
1. As of 01 July 2020, the number of members stands at 3,667. As the number of members nears the membership limit of 4,000 (re: Club Rule 6.2.1), the value of the membership has risen as memberships are in short supply. It is the Committee's view that the Club's membership should be properly valued to reflect its intrinsic value, limited supply and high demand.
2. The proposed increase to the conversion fee is justified by the intended increase of the Entrance Fee for Ordinary membership. Presently, the conversion fee is RM8,000 and the Entrance Fee is RM28,000, i.e. a saving of RM20,000 to the parent. The ratio of conversion fee to entrance fee for Ordinary Membership is 29%. This Motion proposes a revised conversion fee of RM12,000 while the Management Committee will set Entrance Fee at RM40,000, i.e. a saving of RM28,000 to the parent. The proposed change maintains a similar ratio of 30%

3. The Management Committee believes that the increase in conversion fee is more than compensated by the increase in value of the Ordinary membership i.e. from RM28,000 to RM40,000.

Dated: 03 August 2020



Melvin Wee Seng Lee
(Membership No. W008)
Proposer for the motion



Chan Kim Kuay @ Christopher Tan
(Membership No. C157)
Seconder for the motion

HONORARY SECRETARY'S REPORT

Year 2020 has been a watershed in our lives as the worldwide Covid-19 pandemic took center stage. For all the planning that went in at the start of the year for the next 12 months, we did not foresee the sea change that was to happen.

The Movement Control Order began on 18 March 2020. And with that, a slew of new SOPs were introduced which affected all aspects of our clubbing experience. Literally overnight, all sporting and social activities came to a halt. Dining was limited to takeaways only. Gradually, most of our outlets and facilities were allowed to resume but under strict SOPs.

The impact of the Movement Control Order was significant on our operations. We rely on our banquets to supplement our collections from membership subscriptions. The legacy decisions from decades ago have steered and geared the club towards this operation model of low subscription rate supplemented by our F&B operations. As the weeks turned into months, it became clearer that it would be a protracted pandemic. The Management implemented further cost-minimizing exercises in an effort to ride out the pandemic. The club retained all its staff but eliminated over-time payments and the annual increment, and implemented a hiring freeze even though several staff did decide to leave our employment.

Members have been very patient and understanding in the face of the inconveniences. The club continued to charge monthly subscriptions which were necessary to keep the club running and to keep our staff in employment. Expectedly, some members did challenge this charging of the membership subscription, though most accepted the Management Committee's reasoning once properly explained. We did waive certain user-pay charges such as for the gym, tennis court and library, for the period when these facilities were inaccessible.

Non-essential big-ticket expenses were also put on hold to conserve our cash reserves, which the Management Committee was unanimous in deciding was the prudent thing to do. We will assess the situation as we progress and decide on moving forward when the time is right. One such case in point was the license plate recognition system upgrade for our car park. The new system was meant to value-add to our clubbing experience and particularly to improve traffic flow during banquets. We still believe that the system is worth consideration for another time.

The pandemic has thrust upon us the need to step up our cleaning and hygiene efforts. In this respect, I am pleased to share that we were in fact ahead of the curve in using a sanitizing aerosol in the clubhouse since January 2020. Since then, hand sanitizers are now a norm in all our outlets and dotted throughout the clubhouse. All our staff are required to wear masks and we implore all member and guests to follow suit. The staff at the F&B outlets and our security team have additionally been issued with face shields. These hygiene-related expenses are costly but indeed necessary. The safety of all members, guests and our staff are of the utmost priority.

Social distancing is another new term which unfortunately has become all too common. In the Club, we have put in place many new procedures to be compliant with the directives issued by the Sarawak Disaster Management Committee. I wish to thank all the members for your understanding and cooperation in adhering to our social distancing measures.

The strict Movement Control Order in the first half of the year meant that the Annual General Meeting had to be postponed to 30th August when it was deemed safer and permissible by the authorities to conduct. Attendance was better than expected under the circumstances. Following up on the points that the Management Committee had broached in last year's AGM to plan for the future financial sustainability of the club and to value add to your membership, we put forth to members plans to revise our membership entrance fees, transfer fees, conversion fee for Junior members converting to Ordinary members and monthly membership subscription for the absent category of membership. All the members present at the AGM were given the chance to share their views on the motions which were being considered, and a good discussion was had. I am grateful that the members who spoke out were given the due respect from the floor and civility prevailed. Matter relating to increases in fees and subscriptions have always been testy. Members who were unable to join the Meeting or preferred to stay away for safety reasons were also given the avenue to have their vote by proxy. The support from the members to pass all the motions gives the Management Committee great encouragement and renewed belief that we can take the Club forwards to bigger and better things.

Finally, my sincerest thanks to the rest of the Management Committee, all the various sub-committees, our esteemed advisors and the Club's management team for the work put in, in what has been a challenging year in every respect. As with all clouds, we look for the silver lining and keep hope that next year will be better.

CHRISTOPHER TAN (C157)

Honorary Secretary

STATEMENT BY THE MEMBERS OF THE MANAGEMENT COMMITTEE

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

STATEMENT BY THE MEMBERS OF THE MANAGEMENT COMMITTEE

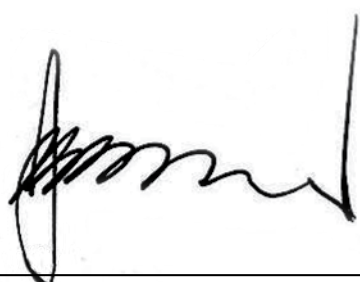
We, Melvin Wee Seng Lee and Wilson Tan Swee Kwang, being two of the Members of Management Committee of The Sarawak Club, state that, in the opinion of the Management Committee, the financial statements set out on pages 41 to 70. are drawn up in accordance with Malaysian Private Entities Reporting Standard and the Societies Act, 1966 in Malaysia and the rules and regulations of The Sarawak Club so as to give a true and fair view of the state of affairs of the Club at 31 December 2020 and of its results and cash flows for the financial year ended on that date.

SIGNED ON BEHALF OF THE MANAGEMENT COMMITTEE
DATED 30 MARCH 2021



MELVIN WEE SENG LEE

President



Wilson Tan Swee Kwang

Honorary Treasurer

30 MARCH 2021

Kuching

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of The Sarawak Club (the Club), which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in fund balance and statement of cash flow for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages to 41 to 70.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Club as at 31 December 2020, and of its financial performance and its cash flow for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Club in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Management Committee of the Club are responsible for the other information. The other information comprises the Message from The President, Minutes of General Meeting, Honorary Secretary's Report, Games Member's Report, Bar Member's Report, Catering Member's Report, Swimming Member's Report, House Member's Report, Sports Member's Report, Entertainment Member's Report and General Manager's Report but does not include the financial statements of the Club and our auditors' report thereon.

Our opinion on the financial statements of the Club does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Club, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Club or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report the fact. We have nothing to report in this regard.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SARAWAK CLUB (CONT'D)

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

Responsibilities of the Management Committee for the Financial Statements

The Management Committee of the Club are responsible for the preparation of financial statements of the Club that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Societies Act, 1966 in Malaysia. The Management Committee are also responsible for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements of the Club that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Club, the Management Committee are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Club or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Club as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Club, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE SARAWAK CLUB (CONT'D)

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:- (Cont'd)

- Conclude on the appropriateness of the Management Committee' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Club or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Club, including the disclosures, and whether the financial statements of the Club represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OTHER MATTERS

This report is made solely to the members of the Club, as a body, in accordance with Societies Act, 1966 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

30 MARCH 2021
Kuching

Chong Thian Poh
01580/02/2023 J
Chartered Accountant

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
<u>The City Club</u>			
Income			
Membership subscriptions		3,144,860	3,108,010
Entrance fees		918,175	730,150
Surcharges		112,750	124,213
Sundry income	5	230,943	97,225
		4,406,728	4,059,598
Contributions (for)/from			
Food and beverages	6	(1,002,925)	46,045
Club activities	7	(375,506)	(328,857)
Club functions	8	(21,522)	(120,225)
		(1,399,953)	(403,037)
Income from operations		3,006,775	3,656,561
Cost			
Depreciation of property, plant and equipment	11	(784,808)	(637,608)
Other operating expenses	Appendix I	(2,672,306)	(2,956,263)
(Deficit)/Surplus from operations		(450,339)	62,690
Interest income	9	205,339	330,310
Other income		-	224,749
(Deficit)/Surplus from The City Club		(245,000)	617,749
<u>Golf Resort</u>			
Income			
Revenue entitlement from SCC		174,006	144,112
Rental income		12,000	12,000
Cost			
Depreciation of property, plant and equipment	11	(66,339)	(77,984)
Depreciation of investment properties	12	(214,831)	(214,831)
Other operating expenses	Appendix I	(214)	(21,066)
Deficit from Golf Resort		(95,378)	(157,769)
(Deficit)/surplus before taxation		(340,378)	459,980
Income tax expense	10	(90,083)	(31,962)
(Deficit)/Surplus for the financial year		(430,461)	428,018

The annexed notes form an integral part of these financial statements.

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	12,467,009	12,255,242
Investment properties	12	7,828,505	8,043,336
		<u>20,295,514</u>	<u>20,298,578</u>
CURRENT ASSETS			
Inventories	13	223,673	265,731
Members' accounts	14	476,729	684,713
Other receivables, deposits and prepaid expenses	15	398,899	540,048
Cash and bank balances		536,319	781,031
Fixed deposits with licensed banks	16	7,246,608	6,573,936
Tax refundable		30,817	-
		<u>8,913,045</u>	<u>8,845,459</u>
LIABILITIES			
CURRENT LIABILITIES			
Members' deposits	17	51,200	94,255
Other payables, deposits and accrued expenses	18	2,277,835	1,714,530
Provision for taxation		-	25,267
		<u>2,329,035</u>	<u>1,834,052</u>
NET CURRENT ASSETS		<u>6,584,010</u>	<u>7,011,407</u>
		<u>26,879,524</u>	<u>27,309,985</u>
FUND BALANCE			
Accumulated funds		<u>26,879,524</u>	<u>27,309,985</u>

The annexed notes form an integral part of these financial statements.

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

STATEMENT OF CHANGES IN FUND BALANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Non-distributable Reserve Accumulated Funds RM
Balance at 1.1.2019	26,881,967
Surplus for the financial year	428,018
Balance at 31.12.2019 / 1.1.2020	27,309,985
Deficit for the financial year	(430,461)
Balance at 31.12.2020	26,879,524

The annexed notes form an integral part of these financial statements.

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

STATEMENT OF CASH FLOW FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES			
(Deficit)/Surplus before taxation		(340,378)	459,980
Adjustments for:			
Depreciation of property, plant and equipment		851,147	715,592
Depreciation of investment property		214,831	214,831
Loss on property, plant and equipment written off		416	35,515
Interest income		(205,339)	(330,310)
Operating surplus before working capital changes		520,677	1,095,608
Decrease/(Increase) in inventories		42,058	(11,154)
Decrease/(Increase) in Members' accounts		207,984	(84,598)
Decrease/(Increase) in other receivables, deposits and prepaid expenses		141,149	(48,275)
Decrease in Members' deposits		(43,055)	(39,077)
Increase/(Decrease) in other payables, deposits and accrued expenses		563,305	(914,241)
CASH FROM/(FOR) OPERATIONS		1,432,118	(1,737)
Income tax paid		(146,167)	(112,455)
Income tax refunded		-	88,469
NET CASH FROM/(FOR) OPERATING ACTIVITIES		1,285,951	(25,723)
CASH FLOWS FOR INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,063,330)	(2,281,763)
Increase in fixed deposits with maturities more than three months		(5,366)	(669,994)
Interest received		205,339	330,310
Damages claim received		-	835,000
NET CASH FOR INVESTING ACTIVITIES		(863,357)	(1,786,447)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		422,594	(1,812,170)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		1,450,601	3,262,771
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	19	1,873,195	1,450,601

The annexed notes form an integral part of these financial statements.

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The principal objective of The Sarawak Club (“the Club”) is to promote and carry on social and sporting activities.

The registered office and principal place of business of the Club is located at Jalan Taman Budaya, 93000 Kuching, Sarawak.

The financial statements of the Club were authorised for issue by the members of the Management Committee in accordance with a resolution of the members of the Management Committee on 30 March 2021.

2. BASIS OF PREPARATION

The financial statements of the Club have been prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Private Entities Reporting Standard (“MPERS”).

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgement and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 REVENUE RECOGNITION

Revenue represents membership subscriptions, entrance fees, surcharges and revenue generated from the activities of the Club.

Sales of goods and services rendered are recognised upon delivery of products and when the risks and rewards of ownership have passed to the members. Sales represent gross invoiced value of goods sold and services rendered net of trade discounts.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 TAX ASSETS AND TAX LIABILITIES

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability or asset is measured at the amount the Club expects to pay or recover using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss. The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affect neither accounting profit nor taxable profit or tax loss. The exceptions for the initial recognition differences include non-taxable government grants received and reinvestment allowances and investment tax allowances on qualifying property, plant and equipment.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Club treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Club expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

THE SARAWAK CLUB

(Registered in Malaysia)

Registration No: PPM-002-13-20121957

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses, (if any).

City club's freehold land has an unlimited useful life and therefore is not amortised.

All other property, plant and equipment are depreciated on a straight line method to their residual values at rates based on the estimated useful lives of the various assets.

The estimated useful lives are as follows:-

Short leasehold land	Over the remaining leasehold period
Buildings	30 to 50 years
Swimming pools	50 years
Tennis courts	30 years
Machineries	10 years
Furniture, fittings and equipment	2 to 10 years

Upon the disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

3.4. INVESTMENT PROPERTIES

The Club recognises a land, building (including a floor of a building), or both land and building, including property under construction, as investment properties if it is held for capital appreciation, rental income or both. Investment properties are recorded at cost on initial recognition. Cost of investment properties comprises purchase price plus all directly attributable costs incurred to bring the property to its present location and condition intended for use as investment properties. Cost of self-constructed investment properties comprises all direct and indirect construction costs but exclude internal profits.

For the purpose of subsequent measurement, items of equipment that are irremovable and items that are physically attached to a building, such as lifts, elevators, electrical system and air-conditioning system, are treated as an integral part of the property. The Club uses the fair value model to measure investment properties after initial recognition if the fair value can be measured reliably without undue cost or effort. Any changes in the fair value of investment properties are recognised in profit or loss in the year in which they arise.

If a reliable measure of fair value is not available without undue cost or effort for an item of investment property subsequently, the investment properties are measured at cost less any accumulated depreciation and impairment losses until a reliable measure of fair value becomes available. In case of investment properties that had been previously accounted for using the fair value model, the carrying amount of the investment properties on that date becomes its cost.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 INVESTMENT PROPERTIES (CONT'D)

Depreciation on investment properties is charged to profit or loss on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. The principal annual rates used for this purposes are:-

Short leasehold land	53 to 60 years
Building	50 years
Golf course	50 years
Swimming pool	50 years

The depreciation method, useful lives and residual values will be reviewed if there is a significant change since the last annual reporting date in the pattern by which the Club expects to consume the investment property's future economic benefits. Any changes are accounted for as a change in accounting estimate.

Any gain or loss arising from the disposal of investment properties is recognised in profit or loss.

3.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

An impairment loss arises when the carrying amount of a Club's asset exceeds its recoverable amount.

At the end of each reporting period date, the Club assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Club estimates the recoverable amount of the asset or cash-generating unit.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

The Club reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

3.6. INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost of food and beverages is determined on the weighted average method and other inventories are determined on "first-in, first-out" basis. The cost of inventories comprises the original purchase price plus cost incurred in bringing the inventories to their present location. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs.

THE SARAWAK CLUB

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 FINANCIAL INSTRUMENTS

(a) Initial Recognition and Measurement

The Club recognises a financial asset or a financial liability in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(b) Derecognition of Financial Instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Club transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Club acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

(c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Club classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.7(f).

(d) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(e) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 FINANCIAL INSTRUMENTS (CONT'D)

(f) Impairment and Uncollectibility of Financial Assets

At the end of each reporting period, the Club examines whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Evidences of trigger loss events include: (i) significant difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from a group of financial assets.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due periods. A collective allowance is estimated for a class group based on the Club's experience of loss ratio in each class, taking into consideration current market conditions.

3.8 PROVISIONS

The Club recognises a liability as a provision if the outflows required to settle the liability are uncertain in timing or amount.

A provision is recognised when the Club has a present legal or constructive obligation as a result of a past event, and of which the outflows of resources on settlement are probable and reliable estimate of the amount can be made. No provision is recognised if these conditions are not met.

A provision is measured at the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

3.9 CASH AND CASH EQUIVALENTS

The Club adopts the indirect method in the preparation of the cash flow statement.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 EMPLOYEE BENEFITS

The Club recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Club consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

(a) Short-term Benefits

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

(b) Post-Employment Benefits - Defined Contribution Plans

The Club makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Club has no further payment obligations.

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

4.1 ESTIMATION UNCERTAINTY

The measurement of some assets and liabilities requires management to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Club are:

(a) Measurement of a Provision

The Club uses a "best estimate" as the basis for measuring a provision. Management evaluates the estimates based on the Club's historical experiences and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances.

(b) Loss Allowances of Financial Assets

The Club recognises impairment losses for loans and receivables using the incurred loss model. Loans and receivables are categorised into credit risk classes and tested for impairment, using the Club's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and these may affect the Club's financial position and results.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (CONT'D)

4.1 ESTIMATION UNCERTAINTY (CONT'D)

(c) Depreciation of Property, Plant and Equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(e) Impairment of Property, Plant and Equipment and Investment Properties

The Club determines whether an item of its property, plant and equipment and investment properties is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

5. SUNDRY INCOME

	2020 RM	2019 RM
Car parking fees	32,494	77,406
Miscellaneous income	9,649	19,819
Wages Subsidy Programme	188,800	-
	<hr/>	<hr/>
	230,943	97,225

Included in miscellaneous income were income derived from sales of car stickers and rental of vending machine.

THE SARAWAK CLUB

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****6. CONTRIBUTIONS (FOR)/FROM FOOD AND BEVERAGES****(a) FOOD**

	2020 RM	2019 RM
REVENUE		
Food sales	3,059,140	5,703,505
LESS: COST OF SALES		
Food cost	1,755,104	2,922,675
GROSS PROFIT	1,304,036	2,780,830
ADD: OTHER INCOME		
Corkage charges	6,599	22,351
Room charges	627	15,513
	7,226	37,864
LESS: OPERATING EXPENSES		
Cleaning material	10,056	15,775
Decoration and equipment rental	4,960	13,984
Electricity and water charges	57,795	80,779
Entertainment and promotion	13,841	28,657
Equipment and utensils replacement	7,712	28,875
Fuel and gas	132,627	184,443
Ice cube	5,508	10,467
Laundry charges	22,580	57,643
Medical expenses	7,614	8,578
Printing and stationeries	10,346	8,462
Repairs and maintenance	52,660	72,361
Salaries, E.P.F., SOCSO and E.I.S. contributions	1,748,630	2,104,975
Staff accommodation	13,029	8,548
Staff meal	29,840	31,440
Sundry expenses	54,145	70,761
Uniforms	2,343	24,870
	2,173,686	2,750,618
Contributions (for)/from food	(a) (862,424)	68,076

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6. CONTRIBUTIONS (FOR)/FROM FOOD AND BEVERAGES (CONT'D)

(b) BEVERAGES

	2020 RM	2019 RM
REVENUE		
Beverages sales	664,009	1,219,558
Tuckshop sales	26,552	51,933
	<u>690,561</u>	<u>1,271,491</u>
LESS: COST OF SALES		
Beverages cost	458,722	826,862
Tuckshop cost	22,226	46,189
	<u>480,948</u>	<u>873,051</u>
GROSS PROFIT	<u>209,613</u>	<u>398,440</u>
ADD: OTHER INCOME		
Corkage charges	5,140	10,006
	<u>5,140</u>	<u>10,006</u>
LESS: OPERATING EXPENSES		
Decoration and equipment rental	-	1,240
Electricity and water charges	14,449	20,195
Glassware and equipment replacement	979	9,131
Ice cube	5,508	10,465
Karaoke expenses	10,997	24,154
Licence fees	21,786	25,822
Medical expenses	1,446	1,076
Promotion	244	817
Printing and stationery	6,491	7,250
Repairs and maintenance	9,138	35,008
Salaries, E.P.F., SOCSO and E.I.S. contributions	254,562	257,591
Staff accommodation	13,028	8,548
Staff meal	5,760	5,120
Sundry expenses	7,352	11,064
Transportation	3,500	8,400
Uniforms	14	4,596
	<u>355,254</u>	<u>430,477</u>
Contributions for beverages	(b) <u>(140,501)</u>	<u>(22,031)</u>
Total contributions (for)/from food and beverages for the financial year	(a + b) <u>(1,002,925)</u>	<u>46,045</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

7. CLUB ACTIVITIES

	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
2020								
INCOME								
Booking fees	-	2,998	855	865	665	-	-	5,383
Coaching and lesson fees	9,435	6,260	5,120	540	3,660	53,355	-	78,370
Fees	125,720	-	-	-	7,170	432	31,035	164,357
Fines	-	-	-	-	-	-	3,291	3,291
Receipts from competition	-	-	-	3,840	-	-	-	3,840
	135,155	9,258	5,975	5,245	11,495	53,787	34,326	255,241

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. CLUB ACTIVITIES (CONT'D)

2020

EXPENSES

	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
Balut sundry expenses	-	-	-	8,616	-	-	-	8,616
Competition expenses	-	-	-	2,368	6,551	133	-	9,052
Coaching and lesson fees	20,636	5,321	6,894	1,100	3,111	42,720	-	79,782
Lease rental	21,820	-	-	-	-	-	-	21,820
Magazines	-	-	-	-	-	-	4,985	4,985
Repairs and maintenance	8,220	-	4,200	270	16,129	36,337	390	65,546
Salaries, E.P.F., SOCSO and E.I.S. contributions	158,259	-	-	-	33,146	108,751	117,909	418,065
Sundry expenses	16,288	-	403	1,690	3,355	-	1,145	22,881
	225,223	5,321	11,497	14,044	62,292	187,941	124,429	630,747
Contribution (for)/from club activities	(90,068)	3,937	(5,522)	(8,799)	(50,797)	(134,154)	(90,103)	(375,506)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. CLUB ACTIVITIES (CONT'D)

2019	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
INCOME								
Booking fees	-	3,950	1,247	2,067	595	-	-	7,859
Coaching and lesson fees	12,873	15,920	38,620	1,700	4,890	182,230	-	256,233
Fees	196,595	-	-	-	9,715	762	39,696	246,768
Fines	-	-	-	-	-	-	5,132	5,132
Receipts from competition	-	-	-	22,525	-	-	-	22,525
	209,468	19,870	39,867	26,292	15,200	182,992	44,828	538,517

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

7. CLUB ACTIVITIES (CONT'D)

2019

EXPENSES

	Gymnasium RM	Badminton RM	Squash RM	Indoor and outdoor games RM	Tennis RM	Swimming RM	Library RM	Total RM
Activity expenses	80	-	-	-	-	-	-	80
Balut sundry expenses	-	-	-	36,849	-	-	-	36,849
Competition expenses	-	2,467	-	5,864	4,923	10,315	-	23,569
Coaching and lesson fees	21,778	13,532	33,728	2,100	4,157	146,062	-	221,357
Lease rental	7,083	-	-	-	-	-	-	7,083
Magazines	-	-	-	-	-	-	9,707	9,707
Repairs and maintenance	21,050	-	28	2,186	14,646	51,841	280	90,031
Salaries, E.P.F., SOCSO and E.I.S. contributions	157,386	-	2,653	-	37,685	123,770	123,828	445,322
Sundry expenses	22,500	259	21	1,769	3,523	3,092	2,212	33,376
	229,877	16,258	36,430	48,768	64,934	335,080	136,027	867,374
Contribution (for)/from club activities	(20,409)	3,612	3,437	(22,476)	(49,734)	(152,088)	(91,199)	(328,857)

THE SARAWAK CLUB

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****8. CLUB FUNCTIONS**

	2020 RM	2019 RM
Band entertainment	3,194	14,011
Other club functions	2,074	84,625
Family and carnival day	-	713
Festival celebrations	12,565	25,991
New year's eve dinner and dance	3,689	(5,213)
Sundry expenses	-	98
Deficit for club functions	21,522	120,225

9. INTEREST INCOME

	2020 RM	2019 RM
Fixed deposits	200,007	318,227
Current accounts	5,332	12,083
	205,339	330,310

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. INCOME TAX EXPENSE

	2020 RM	2019 RM
Current tax expense:		
- provision for the financial year	90,083	122,604
- overprovision of current tax in prior years	-	(90,642)
	<u>90,083</u>	<u>31,962</u>

Incomes from other investments of the Club is taxable at personal scale rate under Schedule 1, Income Tax Act, 1967 while other income derived from its members is not taxable.

A numerical reconciliation of income tax expense at the applicable income tax rate to income tax expense at the effective income tax is as follows:-

	2020 RM	2019 RM
(Deficit)/Surplus before tax	<u>(340,378)</u>	<u>459,980</u>
Tax at the statutory tax rate of:-		
First RM400,000 (2019 - RM400,000) of chargeable income	(71,182)	83,650
25% on the remaining chargeable income (2019 - 25%)	-	154,520
Tax effects of:-		
Non-deductible expenses	1,895,707	2,773,595
Non-taxable income	(1,734,442)	(2,889,161)
Overprovision of current tax in prior years	-	(90,642)
Income tax expense for the financial year	<u>90,083</u>	<u>31,962</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2020 RM	Additions RM	Written off RM	Reclassification RM	Depreciation charges RM	At 31.12.2020 RM
<i>Carrying amount</i>						
The City Club						
Freehold land	134,636	-	-	(134,635)	-	1
Short leasehold land	-	-	-	134,635	(4,080)	130,555
Buildings	8,878,013	-	-	1,627,665	(274,135)	10,231,543
Swimming pools	314,244	-	-	-	(13,525)	300,719
Tennis courts	204,265	-	-	231,572	(36,563)	399,274
Furniture, fittings and equipment	879,235	121,490	(416)	672,966	(456,505)	1,216,770
Capital work-in-progress	1,761,598	941,840	-	(2,532,203)	-	171,235
Sub-total	12,171,991	1,063,330	(416)	-	(784,808)	12,450,097
Golf Resort						
Machineries	83,163	-	-	-	(66,339)	16,824
Furniture, fittings and equipment	88	-	-	-	-	88
Sub-total	83,251	-	-	-	(66,339)	16,912
Total	12,255,242	1,063,330	(416)	-	(851,147)	12,467,009

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At 1.1.2019 RM	Additions RM	Written off RM	Depreciation charges RM	At 31.12.2019 RM
<i>Carrying amount</i>					
The City Club					
Freehold land	134,636	-	-	-	134,636
Buildings	9,122,137	7,800	(10,037)	(241,887)	8,878,013
Swimming pools	327,770	-	-	(13,526)	314,244
Tennis courts	233,108	-	-	(28,843)	204,265
Furniture, fittings and equipment	630,289	606,924	(4,626)	(353,352)	879,235
Capital work-in-progress	94,559	1,667,039	-	-	1,761,598
Sub-total	10,542,499	2,281,763	(14,663)	(637,608)	12,171,991
Golf Resort					
Machineries	181,999	-	(20,852)	(77,984)	83,163
Furniture, fittings and equipment	88	-	-	-	88
Sub-total	182,087	-	(20,852)	(77,984)	83,251
Total	10,724,586	2,281,763	(35,515)	(715,592)	12,255,242

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2020			
The City Club			
Freehold land	1	-	1
Short leasehold land	134,635	(4,080)	130,555
Buildings	13,629,415	(3,397,872)	10,231,543
Swimming pools	676,286	(375,567)	300,719
Tennis courts	1,286,200	(886,926)	399,274
Furniture, fittings and equipment	6,776,221	(5,559,451)	1,216,770
Capital work-in-progress	171,235	-	171,235
Sub-total	22,673,993	(10,223,896)	12,450,097
Golf Resort			
Machineries	663,384	(646,560)	16,824
Furniture, fittings and equipment	497,145	(497,057)	88
Sub-total	1,160,529	(1,143,617)	16,912
Total	23,834,522	(11,367,513)	12,467,009

The City Club is situated on freehold land whereas the short leasehold land is used for tennis courts.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2019			
The City Club			
Freehold land	134,636	-	134,636
Buildings	12,001,750	(3,123,737)	8,878,013
Swimming pools	676,286	(362,042)	314,244
Tennis courts	1,054,628	(850,363)	204,265
Furniture, fittings and equipment	6,010,191	(5,130,956)	879,235
Capital work-in-progress	1,761,598	-	1,761,598
	21,639,089	(9,467,098)	12,171,991
Golf Resort			
Machineries	663,384	(580,221)	83,163
Furniture, fittings and equipment	497,145	(497,057)	88
	1,160,529	(1,077,278)	83,251
	22,799,618	(10,544,376)	12,255,242

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020****12. INVESTMENT PROPERTIES**

	At 1.1.2020 RM	Depreciation charges RM	At 31.12.2020 RM
<i>Carrying amount</i>			
Golf Resort			
Short leasehold land	496,783	(10,331)	486,452
Building	2,185,627	(68,477)	2,117,150
Golf course	4,633,670	(117,134)	4,516,536
Swimming pool	727,256	(18,889)	708,367
	<u>8,043,336</u>	<u>(214,831)</u>	<u>7,828,505</u>

	At 1.1.2019 RM	Adjustment RM	Depreciation charges RM	At 31.12.2019 RM
<i>Carrying amount</i>				
Golf Resort				
Short leasehold land	507,115	-	(10,332)	496,783
Building	2,254,103	-	(68,476)	2,185,627
Golf course	5,585,803	(835,000)	(117,133)	4,633,670
Swimming pool	746,146	-	(18,890)	727,256
	<u>9,093,167</u>	<u>(835,000)</u>	<u>(214,831)</u>	<u>8,043,336</u>

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2020			
Golf Resort			
Short leasehold land	597,485	(111,033)	486,452
Building	3,239,723	(1,122,573)	2,117,150
Golf course	5,856,666	(1,340,130)	4,516,536
Swimming pool	944,490	(236,123)	708,367
	<u>10,638,364</u>	<u>(2,809,859)</u>	<u>7,828,505</u>

THE SARAWAK CLUB

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12. INVESTMENT PROPERTIES (CONT'D)

	At cost RM	Accumulated depreciation RM	Carrying amount RM
2019			
Golf Resort			
Short leasehold land	597,485	(100,702)	496,783
Building	3,239,723	(1,054,096)	2,185,627
Golf course	5,856,666	(1,222,996)	4,633,670
Swimming pool	944,490	(217,234)	727,256
	<u>10,638,364</u>	<u>(2,595,028)</u>	<u>8,043,336</u>

- (a) The Golf Course is situated on a land leased from Universiti Malaysia Sarawak pursuant to Golf Course Project Development Agreement dated 24 February 2006.
- (b) The Club owns the 7 acre leasehold land which is the site of the Golf Resort club house building and facilities.
- (c) The investment properties are measured using the cost model because their fair values cannot be reliably measured without undue cost or effort using valuation techniques due to the lack of comparable market transactions with properties of the same type and quality in that particular location.

13. INVENTORIES

	2020 RM	2019 RM
At cost:-		
Food and beverages	190,074	231,291
Utilities and consumables	31,514	32,355
Merchandise	2,085	2,085
	<u>223,673</u>	<u>265,731</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

14. MEMBERS' ACCOUNTS

	2020 RM	2019 RM
Members' accounts	1,400,009	1,302,513
Advance billings	(923,280)	(617,800)
	<u>476,729</u>	<u>684,713</u>

- (a) Members' accounts comprise amounts receivable from members for subscription fees, sales of food and drinks and services provided.
- (b) Advance billings comprise membership subscription fees, absent subscription fees and outstation subscription fees.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	2020 RM	2019 RM
Refundable deposits	22,305	17,340
Prepaid expenses	144,585	178,262
Other receivables	232,009	344,446
	<u>398,899</u>	<u>540,048</u>

16. FIXED DEPOSITS WITH LICENSED BANK

The fixed deposits with licensed banks of the Club at the end of the reporting period bore effective interest rates ranging from 2.00% to 3.07% (2019 – 3.15% to 4.30%) per annum respectively. The fixed deposits have maturity periods ranging from 3 to 12 months (2019 – 3 to 12 months).

17. MEMBERS' DEPOSITS

	2020 RM	2019 RM
Members' deposits	<u>51,200</u>	<u>94,255</u>

Members' deposits comprise refundable deposits received from non Sarawakian term members and deposits for banquet booking.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

18. OTHER PAYABLES, DEPOSITS AND ACCRUED EXPENSES

	2020 RM	2019 RM
Deposits refundable	14,000	14,000
Accrued expenses	143,792	28,600
Membership transfer/conversion control accounts	1,060,901	361,751
Other payables	888,726	1,116,446
Other payables control account	45,731	44,276
Service tax payable	124,685	149,457
	<u>2,277,835</u>	<u>1,714,530</u>

19. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:-

	2020 RM	2019 RM
Cash in hand and at bank	536,319	781,031
Fixed deposits with licensed banks	7,246,608	6,573,936
	<u>7,782,927</u>	<u>7,354,967</u>
Less: Fixed deposits with maturities more than 3 months	<u>(5,909,732)</u>	<u>(5,904,366)</u>
	<u>1,873,195</u>	<u>1,450,601</u>

20. CAPITAL COMMITMENT

	2020 RM	2019 RM
Approved but not contracted for:- Renovation	<u>213,050</u>	<u>882,078</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

21. FINANCIAL INSTRUMENTS

	2020 RM	2019 RM
Financial Assets		
<u>Amortised Cost</u>		
Members' accounts (Note 14)	476,729	684,713
Other receivables (Note 15)	232,009	344,446
Cash and bank balances	536,319	781,031
Fixed deposits with licensed banks (Note 16)	7,246,608	6,573,936
	<u>8,491,665</u>	<u>8,384,126</u>
Financial Liabilities		
<u>Amortised Cost</u>		
Other payables (Note 18)	<u>2,139,150</u>	<u>1,551,073</u>

22. SIGNIFICANT EVENT DURING AND AFTER THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as global pandemic. Following the declaration, the Government of Malaysia has on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Club's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic.

The Club's financial performance and cash flows for the current reporting period had been materially impacted by the COVID-19 pandemic. Nevertheless, the Club will continuously assess the situation and put in place measures to minimise impact to its activities.

Subsequent to the reporting date, the numbers of new COVID-19 cases increased substantially in Malaysia in which the Club operates. As the outbreak is evolving, the full effect of the COVID-19 pandemic is subject to uncertainty and could not be ascertained reliably at this juncture.

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SCHEDULE OF OTHER OPERATING EXPENSES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

APPENDIX I

	2020 RM	2019 RM
<u>The City Club</u>		
Auditors' remuneration - current year	10,000	10,000
Bank charges and credit card commission	45,627	82,167
Electricity and water charges	216,733	302,920
Functions and meeting expenses	12,414	13,691
Housekeeping contract charges	182,430	179,116
Housekeeping expenses	120,674	117,793
Insurance	54,498	47,490
Legal and professional fees	2,616	1,800
Licence fees	25,425	26,140
Loss on property, plant and equipment written off	416	14,663
Medical expenses	33,554	18,924
Members' introduction night expenses	6,206	7,877
Photographs and films	-	3,110
Postages and telephone charges	47,563	32,518
Personal protective equipment supplies	30,164	-
Printing, stationeries and publications	52,879	19,755
Quit rents and assessment	38,372	50,731
Refreshment	9,791	31,914
Repairs and maintenance - building and electrical	32,284	61,067
Repairs and maintenance - equipment	75,205	78,040
Repairs and maintenance - ground	40,721	74,756
Salaries, E.P.F., SOCSO and E.I.S. contributions	1,588,985	1,724,073
Staff trainings	5,466	12,527
Sundry expenses	28,414	22,533
Travelling and transport expenses	623	2,257
Uniforms	11,246	20,401
	2,672,306	2,956,263
<u>Golf Resort</u>		
Loss on property, plant and equipment written off	-	20,852
Quit rents	214	214
	214	21,066
Other operating expenses	2,672,520	2,977,329

CATERING MEMBER'S REPORT

I am sure I am not alone in saying that the past year has been one to forget. The Covid-19 pandemic and the resultant lockdown has been devastating for our F&B operations.

Aside from the first two months of 2020, the remaining months have been about cost-control and adjusting to the new normal. Almost overnight, in-house dining came to a halt. For an extended period, only takeaways were permitted. And all banquets were prohibited. Even when dining in was allowed, it was subject to strict SOPs. Under the new SOPs, our tables can only seat up to 6 diners and all tables had to be spaced apart to comply with new social distancing norms.

Our banquet sales have always had a major impact to the final contributions of the overall catering operations. In 2019, our banquet sales was RM1.3 million but only RM280,000 in 2020; a 78% fall in banquet sales. Thankfully, members continued their patronage of our food and beverage outlets. There were considerably more takeaway orders than before which helped cushion the blow. The kitchen team have also ramped up weekly food promotions to entice members – sometimes we had two promotions within the same week.

Cost-wise, the most significant cost centre has been salaries. Here, we saved RM356,000 or 17% through limiting overtime payments and bonus payments.

Net contribution from catering operations was –RM862,424 in 2020 as compared to +RM68,076 in 2019.

It has indeed been a troubling year but I am grateful for the efforts by the sub-committee and the management in damage limitation. News of a vaccine rollout in 2021 gives hope that there will be brighter days ahead.

Finally, my personal thanks to all the members who have supported us throughout 2020, and I appeal for your continued support in 2021.

Henry Ho (H007)
Catering Member

Catering Sub-Committee Members
Chua Teck Kheng (C113)
Charles Voon (V022)
Jackie Yeo (Y112)

BAR MEMBER'S REPORT

The year was ravaged by the pandemic. The Club suffered a major drop in patronage across all of our F&B outlets. Our beverage sales were worst hit, with the Movement Control Order not doing us any favours. With social activities being restricted, bars in general faced a challenging proposition.

The Badger Bar has been allowed to open for members to patronize as a dining venue. However, promotional activities which encourage social gatherings such as live bands or music sets were not allowed. Notwithstanding, the Badger Bar continues to be popular with members who come to dine over lunch or dinner. Tables are spaced well apart to comply with new social distancing norms. Windows are kept opened to improve ventilation. All staff have also been equipped with mask and face shield to safeguard the staff and also members and guests while dining in the Bar.

The Eagle Arms was closed for most of the Movement Control Order as the local government took a hard stance on karaoke lounges as social establishments. It reopened in August 2020 only to be closed again in October 2020. The Management has constantly monitored the SOPs for when the Eagle Arms can reopen. I want to assure members that we continue to comply with all the safety restrictions imposed in the best interest of the health and safety of all members and staff.

Our bottom line in 2020 was a deficit of RM140,501. Besides the restrictions imposed on our bars mentioned above, we also suffered a big dip in beverage sales when banquets literally came to a halt. Also, beer cost per barrel rose again to RM666.30 in March 2020, just as the pandemic was taking a grip. It was also around this time that the Management began negotiations for an improved solus arrangement for the Club. We engaged in negotiations with both Carlsberg Malaysia and Heineken Malaysia as we sought out the best deal for our members. After protracted and exhaustive negotiations, I am pleased that we have significantly improved on the last solus while retaining Tiger Beer on our taps, of which members have shown a preference.

Finally, I want to thank the sub-committee who have been very supportive during this difficult period for the bars. The Management and staff also deserve credit for coping with the various cost-cutting measures that have been put in place while ensuring that standards have continued to be high.

George Chapman (C698)

Bar Member

Bar Sub-Committee Members

Janice Pang (N101-1)

Geraldine Sim (S314)

Cheryl Dianne Tan (T659)

Nigel Wee (W326)

SPORTS MEMBER'S REPORT

There was great expectations for more improvement works to our sporting facilities in 2020. However, the Covid-19 pandemic put a big cloud of uncertainty over us. The Management Committee's decision was that it would be prudent to hold back on large expenses while the Club weathers the storm.

The Movement Control Order with its many Standard Operating Procedures also had a big impact on sporting life in the Club. For extended periods in the MCO, all the sporting facilities faced forced closure. Tennis was the first sport that was allowed to reopen and has thankfully remained open throughout the MCO. Eventually, the other sports were allowed but all with strict SOPs in place. The management has stepped up cleaning and sanitizing of all the facilities for the benefit of members. The new normal means we have to be socially responsible and keep to the safety SOPs. Certainly, it is not ideal, but necessary.

In particular, I wish to draw special attention to the Gym. Our Gym is an enclosed-air-conditioned space and the nature of the activities within mean there are many shared contact surfaces. Gym users are reminded to practice strict hygiene, use the sanitizers provided and keep a safe distance from each other while exercising inside the gym.

Thank you to all members who have shown exemplary behavior and care for fellow members and the staff.

It now seems clear that the pandemic will not be over quick. And with a year of experience gained, the Management Committee will continue to manage our Club responsibly. I am aware that certain facilities are in urgent need of maintenance and these will be prioritized for action in 2021.

Meanwhile, I wish all members good health and hopefully a speedy return to a sporting lifestyle.

Tennis**Results**

Team Doubles (29 August 2020)	Champion : Stephen Ngui (N143) Runner-Up : John Lim (T75-1)
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Sarawak Club Annual Tennis Championship 2020 (19 September 2020)	
Men's Singles	Champion : Matthew Chong (C513-2) Runner-Up : Lawrence Low (L503) 2nd Runner-Up : Jolly Chua (C432)
Ladies' Singles	Champion : Cindy Chai (C699-1) Runner-up : Jessie Voon (V005-1) 2nd Runner-Up : Esther Chong (C513-1)
Men's Doubles	Champion : Mark Hardin (H040) & Alex Ting (T448) Runner-up : Brian Chong (C513) & Simon Sia (S362) 2nd Runner-Up : Jolly Chua (C432) & Chin Khoon Ho (C445)
Ladies' Doubles	Champion : Maggie Ng (L931-1) & Cindy Chai (C699-1) Runner-up : Margaret Ho (T160-1) & Jessie Voon (V005-1) 2nd Runner-Up : Esther Chong (C513-1) & Geraldine Yao (Y168-1)
Mixed Doubles	Champion : Maggie Ng (L931-1) & Chin Khoon Ho (C445) Runner-up : Cindy Chai (C699-1) & Jolly Chua (C432) 2nd Runner-Up : Margaret Ho (T160-1) & Lawrence Low (L503) and Jessie Voon (V005-1) & Jeff Wei (W227)

Fun Tennis (17 October 2020)	1st: Cindy Chai (C699-1) 2nd: Chan Ching Soon (C240) 3rd: Jolly Chua (C432) 4th: Matthew Chong (C513-2) 5th: Robert Kho (C312-1)
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Sim Chin Kheng (S280)

Sports Member

Sports Sub-Committee Members

Chong Chon Chee (C120) – Badminton Convener
 Sam Lau (L735) – Basketball Convener
 James Chuo (C774) – Gym Convener
 Albert Poh (P042) – Tennis Convener

GAMES MEMBER'S REPORT

The usual calendar for Balut only really kicks into gear after the 1st quarter. Unfortunately, the Movement Control Order which began 18 March 2020 and continues in some form till this time of writing, meant that the annual balut events and other interclub gatherings have had to be cancelled in 2020.

Balut and Bridge were the only games that have been allowed to resume in the Club albeit with physical distancing SOPs in place. Players are seated spaced apart, and playing sets are sanitized before and after use.

My thanks to all the conveners who have helped to spread the message to our members about safe practices in regards to their respective games. I pray that 2021 will be a much improved year. I'm looking forward to have our social games back and thriving in the Club.

Results

Monthly Pool Challenge

<u>2020</u>	<u>Champion</u>	<u>Runner-up</u>
January	Frank Chapman (T144-1)	Bruce Sim (S278)
February	Frank Chapman (T144-1)	Albert Tan (Y220-1)
March	Desmond Sahathevan (S025)	Balraaj Singh Gill (G124)
August	Derek Sim (S033)	Bruce Sim (S278)
September	Bruce Sim (S278)	Adenan Abdul Rasyid (S021)
October	Albert Tan (Y220-1)	George Chapman (C698)

Monthly Balut Medals

<u>2020</u>	<u>Champion</u>		<u>Runner-up</u>	
January	Gabriel Ling (L545)	839	Daisy Kon (K141)	837
February	Daisy Kon (K141)	804	Dorothy Tham (L286-1)	787
August	Charles Voon (V022)	885	Ang Bian Hin (A095)	804
September	Wilson Tan (T607)	886	Richard Leong (L290)	829
October	Olivia Chan (C464)	854	Yu Kok Lee (Y248)	850
November	Daniel Ting (T447)	875	Dorothy Tham (L286-1)	848
December	Daniel Ting (T447)	930	Anthony Chuo (C328)	821

Annual Balut Master (13 December 2020)

	<u>Individual</u>	<u>Partnership</u>
Champion:	Sim Pei Pei (S466) – Score 817	Sim Pei Pei (S466) & Anthony Chuo (C328) – Score 1589
1st Runner-Up:	Olivia Chan (C464) – Score 800	Olivia Chan (C464) & Dorothy Tham (L286-1) – Score 1579

Peter Ho Ching Hin (H055)

Games Member

Games Sub-Committee Members

Gabriel Ling (L454) – Balut Convener
 Chang Yah Hwa (C440) – Bridge Convener
 Bruce Sim (S278) – Pool & Snooker Convener

SWIMMING MEMBER'S REPORT

Our swimming pool has always been one of the signature facility of the Club. The water is well maintained, changing rooms are clean and that's why members love to swim here. Kudos to the swimming pool staff and the cleaners for a wonderful job.

So it was without a doubt that the forced closure of our swimming pool with the onset of the Movement Control Order in mid-March upset many members, many of whom swim religiously. And as the closure extended from weeks to months, the Management did seek permission from the State Disaster Management Committee to reopen our pool. But we have had to toe the line with respect to the restrictions in place, in the best interest of the health and safety of our members.

Thankfully, we were able to reopen the swimming pool on 4th September, although with restrictions in place. Only lap swimming was allowed, and members were required to book to reserve their lanes. After numerous feedback, we have also made two lanes available on a first-come-first-serve basis during the peak evening hours from 4pm to 7pm. Swimming lessons also resumed in September, adhering to all the restrictions imposed.

I wish to assure members that we take the health and safety of all members and staff seriously. If you are feeling unwell or have any symptoms relating to Covid-19, please play your part - do not swim and seek appropriate medical attention. We all hope that we can overcome this pandemic safely and quickly and return to our usual swimming activities.

Zain bin Abdullah (Z039)

Swimming Member

Swimming Sub-Committee Members

Chua Yaw Chiang (C557)

Alexander Ng (N206)

Tan Noon Hua (T745)

Michael Chung

ENTERTAINMENT MEMBER'S REPORT

The year began as normal and the Chinese New Year season was upon us. The Club was its usual hive of activity leading up to the Chinese New Year. We held the annual Chinese New Year Get-Together on Chap Goh Mei with a magnificent lion dance pole performance capping it all off in the Main Hall. Little did anyone suspect that this would be the final festive celebration in the Club for the rest of the 2020.

The Covid-19 outbreak meant that members' safety had to take precedence over entertainment events. While the F&B outlets have continued to serve members, take away services have eclipsed in-house dining. Sporting facilities have gradually reopened under the watchful eye of the Sarawak Disaster Management Committee. Social distancing, once an unfamiliar term, has become key in minimizing the chance of infection, greatly affecting a social members club like ours. SOPs have been ably implemented throughout the club's facilities by our dedicated staff. Our thanks should go out to them for their continued guardianship of the club and its members.

Given the ongoing situation, however, our entertainment-based events have all been cancelled. The annual Members' Night, Senior Members' Appreciation Dinner and Family Day were all suspended. Likewise, our other stalwart events like the Kids' Halloween Party, Children's Christmas party, the New Year's Eve Countdown Party, and many more that we had planned for the year.

I can only promise you that when the pandemic is under control, and we are able to ensure the health of members and the reputation of the club at gatherings, the Sarawak Club will once again be a hive of activity that will stimulate and inspire members to return to a social lifestyle.

Thank you.

Karen Shepherd (S356)

Entertainment Member

Entertainment Sub-Committee Members

Connie Yeo (G060-1)
Jong Thian Lung (J011)
Shen-Tel Lee (T008-1)
Dona Drury (W001-1)

HOUSE MEMBER'S REPORT

After a whirlwind first year in 2019, 2020 has been quiet in comparison. We have been monitoring the finished renovations and the contractor has been in to make good on minor repairs here and there.

There were plans for several improvement works for 2020, but these have been put on the backburner when the pandemic took its grip. The Club has not been spared from the economic impact of the lockdowns and so, the Management Committee has thought it best to hold back on large spending until the situation has improved and we know where the Club stands financially. Among the projects which have been postponed include the new car parking system and the repairing of the playing surfaces on the tennis and basketball courts. The resurfacing of the courts is more critical as it is a matter of maintenance so will be prioritized, while the car parking system will be considered again when banquets return to the Club in numbers.

However, where safety is concerned and it is simple to do, then the works have been carried out. We have laid rough floor tiles over a couple of screed-finished floors. A hand washing point outside the gym entrance has been added to encourage better hygiene among members who enter the clubhouse from there, especially so during these times of the Covid-19 pandemic.

The outstanding project to install the lift at the sports annex has also suffered huge delays arising from the lockdown since March. However, I am pleased to update that all the necessary approvals from the various local authorities have been obtained and I expect things to kick on from here. To all the members, thank you for your patience.

I wish everyone well and good health.

Colin Lau (L500)

House Member

House Sub-Committee Members

Goh Kheng Ghee (G077)

Hubert Kueh (K120)

Kho Kai Tze (K311)

James Ling Chai Haw (L066)

GENERAL MANAGER'S REPORT

2020 will be chalked up as a year to forget, hijacked by the Covid-19 worldwide pandemic. We started the year brightly enough, not realizing that our Chinese New Year celebration was to be the last great gathering of the year. The Movement Control Order (MCO) lockdown literally shut the club down.

Initially, only the takeaway service was allowed to resume. Thankfully, members continued to support the club through ordering of takeaways, and it continued to be popular throughout the various iterations of the MCO. Our club has for many years relied on our F&B operations to subsidise the running of our club, keeping our membership subscriptions affordable and low. So without a big chunk of the contribution from the loss in banquets, it was critical that members continued to support the club through the timely payment of their monthly subscriptions. The Management has also had to implement many cost-cutting initiatives, particularly in staff-related payments. This was necessary to ensure all the staff could be retained without furlough. In this respect, the Management Committee has shown great concern and empathy for the welfare and wellbeing of the staff. I know I speak for all the staff that they are all extremely grateful to remain in employment throughout the pandemic.

With the gradual easing of the restrictions, we were allowed to reopen most of F&B outlets and sporting facilities. But the pandemic has introduced new norms to our way of life, and was something that the club has had to adapt to.

A Covid-19 infected person can present with symptoms or be completely asymptomatic and in the latter, the infected person is unaware. Therefore, each and every one of us has a responsibility to exercise a high degree of care and caution to safeguard from catching or spreading the virus. In the Club, we have made it a requirement that all members, guests, vendors and staff wear a face mask while in the clubhouse. Local government SOPs also require that all visits are properly logged to facilitate contact tracing should the need arise.

Good hygiene is a proven way to break the chain of infection. Throughout the Club, we have changing rooms and toilets with hand-washing amenities, plus hand sanitizer dispensers available at all times. Coincidentally, we began the daily exercise of sanitizing our clubhouse in mid-January before the Covid-19 virus really took hold in Malaysia. And it continues to this day. Our cleaning team perform daily sanitizing of all our facilities, and some high traffic areas or high-contact surface areas are even sanitized twice a day.

Social distancing is another new way of life. I have found this to be the hardest of the new restrictions for the staff to enforce in the club. The nature of our club has always been a social one, and so the social restrictions are counter-intuitive. We implement and adhere to the SOPs that have been issued and updated by the local authorities. Many a times, some of the requirements may seem much but I pray ask that all members abide by these social distancing requirements in the best interest of everyone's safety.

There are still a handful of facilities and amenities which have yet to be green-lighted to resume operation. Steam baths and saunas in both the men's and ladies' changing rooms remain

closed. The Management has taken the initiative to seek permission from the local authorities to reopen our swimming pool and the pool and snooker tables in the Eagle Arms. The Eagle Arms as an open karaoke lounge was briefly reopened in August 2020, which was warmly welcomed by the pool- and snooker-playing and crooning fraternities. Swimming which has been one of our core activity and much missed by members, was finally allowed in September. However, developing trends of infection in Sarawak led to a new wave of shutdowns and the Eagle Arms closed again in October 2020.

In late October, two of our members contracted Covid-19 and they were known to have been in the clubhouse. It culminated in the Management closing the club for two days from 2nd to 3rd November as a precautionary measure while deep cleaning and sanitizing of the entire clubhouse was carried out. Furthermore, all of the staff were sent for testing and thankfully, everyone tested negative for the virus. It goes to show that the club's implementation of the SOPs and health & safety practices were adequately robust to protect members and staff.

As we look forward to mass vaccinations in 2021, we also hold out hope that Club life can return to something close to normal. Adjustments to ever changing SOPs will be shared through our usual communication channels such as our official mobile app, the website www.sarawakclub.com, emails and the traditional posters and notices on our noticeboards. We very much look forward to the day when the clubhouse will be back to its vibrant best, teeming with activity and verve.

In spite of the challenges of the pandemic, I am proud to share that The Sarawak Club has not just stood by in terms of giving back to our community. Members have not withdrawn from donating to our charity fund and this allows the Club to continue supporting worthy charities and organizations in our local community. For the current term of 2020-2021, I am pleased to promote the following five charities and the great work that each are committed to:

1. **Mental Health Association of Sarawak;** a non-profit organisation providing emotional support to people who are lonely, in distress, in despair, and having suicidal thoughts. Organises talks, workshop sessions and seminars on listening skills, stress, suicide prevention, and mental health awareness.
2. **Sarawak Hospice Society;** formed to promote hospice service and hospice care through their Home Care Programme (HCP) for terminally ill cancer patients in Sarawak. Their service is free of charge. Services includes giving support and advice on symptom control, provide emotional and physical support for both patients and families, co-ordinate any additional requirement of the patient such as spiritual care and domiciliary arrangement and also providing loan of equipment like wheelchair, commode, oxygen concentrator etc.
3. **Pink & Teal EmpowHer;** a charity organisation which is focused on screening and prevention of cancer, especially breast and cervical cancers among the rural women of Sarawak. Aside from cervical, ovarian, uterine and breast cancer screening, treatment and/or follow-up, Pink & Teal EmpowHer also brings in 'Ear, Nose and Throat' specialists and dentists to serve the rural community, screening for mouth and nose cancers, and works together with other NGOs to conduct computer and English literacy programmes for the rural children.

4. **Kuching Bring It On Association;** their mission is to raise funds and run projects that benefit the children in the urban poor. They are funded entirely from donations from the public. They initiated the Food Aid campaign in October 2020 which aims to subsidise urban poor families from around Kuching and Samarahan districts by using the donation collected to buy essential food items.



Packing the food aid to be delivered to the needy families.

5. **Hope Place;** a non-governmental organisation aimed at helping the needy and the under privileged in Kuching and its surrounding areas. They provide basic food aid and necessities to the underprivileged, and are regularly first responders to provide aid and relief for flood and fire related disasters in Sarawak.



Hope Place delivering food aids to families who are under quarantined recently. These one-off aids consist of basic food items, face masks, hand sanitizers, and soaps.

In addition to this, in the early days of the Movement Control Order, The Sarawak Club was an early mover in collaboration with 'The Federation of Chinese Associations, Kuching, Samarahan and Serian Division' in providing packed meals to the front-liners working at the Sarawak General Hospital. From 23rd March till 11th May, the cooperation between like-minded individuals, businesses and organisations contributed 42,620 meals to the nurses and doctors on the front line. Of this, The Sarawak Club contributed close to 2,000 packed meals costing RM5,200.



From 1st April till 11th May when the Hornbill Restaurant was closed during the Movement Control Order period, the Club assisted local movement Tanoti as the distribution centre for crowdsourced personal protective equipment (PPE)-making initiative for our local front liners.

Thank you to all members who made our community efforts possible.

During such testing times, I am grateful for the support from all members. The Management and staff look forward to welcoming you to the Club, and we strive to give you our best. Members are also reminded to respect the Club Rules and Bye-laws. Should you have any grievances, I respectfully request that you direct them to me and not at my team, and it will be brought to the attention of the Honorary Secretary. Please refrain from venting on social media. We are a private club and all members share the responsibility to safeguard our good name from disrepute.

Finally, my sincerest gratitude to all the members and the Management Committee who have continued to support the Management. Thank you for your kind understanding as we negotiate this difficult pandemic.

Robert Brodie

General Manager

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