

Applicants are advised to read and understand the contents of this Prospectus and Trust Deed (available for inspection) pertaining to the timeshare scheme before deciding to purchase the Timeshare Membership in Iconic Vacation Club.

# **PROSPECTUS**

## **ICONIC VACATION CLUB**

### **ICONIC VACATION CLUB BERHAD (COMPANY NO: 891079-P)**

(Incorporated in Malaysia under the Companies Act, 1965)  
(A wholly owned subsidiary of Sepang Goldcoast Sdn Bhd (Company No. 483004-P))

**PROSPECTUS ISSUED PURSUANT TO SECTION 28 OF THE INTEREST SCHEMES ACT, 2016  
AND THE POLICY GUIDELINES AND REQUIREMENTS ISSUED BY THE REGISTRAR OF  
COMPANIES, MALAYSIA IN RESPECT OF AN OFFER FOR SALE OF TIMESHARE  
MEMBERSHIPS IN ICONIC VACATION CLUB.**

**APPLICANTS ARE ENTITLED TO WITHDRAW HIS/HER APPLICATION WITHOUT ANY  
DEDUCTION OR PENALTY WITHIN A COOLING-OFF PERIOD OF TEN (10) CONSECUTIVE  
DAYS COMMENCING FROM THE DAY THE APPLICATION FORM FOR THE PURCHASE OF A  
TIMESHARE MEMBERSHIP IS LODGED WITH ICONIC VACATION CLUB BERHAD.**

**THIS PROSPECTUS IS DATED 11<sup>TH</sup> MAY 2017 AND SHALL EXPIRE ON 10<sup>TH</sup> NOVEMBER 2017**

A copy of this Prospectus has been lodged with and registered by the Registrar of Companies, Malaysia, who takes no responsibility for its contents.

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## DEFINITIONS

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

- “Affiliation Agreement”** means the agreement that may be entered into between the Operator and such international exchange organisation from time to time for the provision of exchange arrangements for Timeshare Members who may choose to exchange their Annual Entitlement for a week’s stay at the resorts affiliated with such international exchange organisation;
- “Annual Entitlement”** means the period of seven (7) nights per year – which may be split to two (2) nights, three (3) nights, four (4) nights and five (5) nights (2+2+3 nights *or* 4+3 nights *or* 5+ 2 nights) - for the duration of the Term, during which the Timeshare Member is entitled, subject to availability, to the use of the Holiday Resorts in accordance with the terms of the Trust Deed, the Membership Agreement and the Rules;
- “Annual Maintenance Fee”** means the yearly fee to be paid by the Timeshare Member for maintaining the Holiday Resorts and the assets therein and administration of the Timeshare Membership subject always to such variation as may be permitted and levied by the Operator.
- “Commencement Date”** means the various dates of the Membership Agreements which are immediately after the day upon which the Cooling-Off Period expires, entered into between the various Timeshare Members and the Operator evidencing the contractual right granted to the Timeshare Members in respect of the Timeshare Memberships;
- “Cooling-Off Period”** means a period of ten (10) days commencing from the date the application for a Timeshare Membership is signed with the Operator or its authorised agents during which the Timeshare Member may rescind the contract without any deduction or penalty;
- “Companies Act”** means the Malaysian Companies Act, 1965 and Companies Regulations, 1966;
- “Effective Date”** means the date of the Trust Deed;
- “Extraordinary Resolution”** means a resolution passed at a meeting of Timeshare Members duly convened and held in accordance with the provisions of Clause 4.6 of the Trust Deed and/or Clause 11 herein and carried by a majority consisting of not less than three quarters (3/4) of the Timeshare Members voting thereat by a show of hands or if a poll is demanded by a majority consisting of not less than three quarters (3/4) in number of the votes given on each poll;

- “Facilities”** means the facilities available in the accommodation units of the Holiday Resort, listed in **Appendix II** hereto;
- “Gold Membership”** means the Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Travelers Studio Villa* and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty (20) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules;
- “Holiday Resorts”** means the resorts, holiday apartments, condominiums, chalets or hotels listed in **Appendix I Part B** hereto and shall include such other resorts, holiday apartments, condominiums, chalets or hotels which the Operator may hereafter provide from time to time as holiday accommodation for the Timeshare Members;
- “Iconic Vacation Club” or “Scheme”** means the Timeshare Membership scheme operated by the Operator and which provides and coordinates for its Timeshare Members, holiday accommodation at the Holiday Resorts each year of the Term, from the date of the Membership Agreement upon the terms and conditions contained in the Membership Agreement and/or the Rules;
- “Internal Affiliation”** means the additional benefits provided to the Timeshare Members in the form of alternative accommodation units in other properties that may be affiliated to or associated with the Holiday Resorts from time to time whereby the Operator has made arrangements with third parties for the provision of accommodation units or where there is an existing reciprocal arrangement to allow Timeshare Members to exchange the use of their Annual Entitlement at the Holiday Resorts for stays at such alternative resorts but the ownership of which is not vested in the Operator or the Trustee;
- “Internal Affiliation Fee”** means the sum of monies as shall be charged by the affiliated resorts from time to time and payable by Timeshare Members for each exchange by a Timeshare Member for the utilisation of an accommodation unit in the Internal Affiliation programme;
- “Interest Schemes Act”** means the Interest Schemes Act 2016 and Interest Schemes Regulations 2017;
- “Liaison Committee”** means the committee formed for the purpose of establishing a channel of communication between the Operator and the Timeshare Members comprising of not less than five (5) and not more than eight (8) Timeshare Members;

- “Manager”** means the company appointed or which may be appointed by the Operator to manage Iconic Vacation Club. Currently, the Operator has not appointed any Manager;
- “Membership Agreement”** means the agreement entered into between the Operator and Timeshare Member evidencing the contractual right granted to the Timeshare Member upon and subject to the terms of the Membership Agreement;
- “Operator”** means **ICONIC VACATION CLUB BERHAD** (Company No. 891079-P);
- “Platinum Membership”** means the Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Canary* 2-Bedroom Villa and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty five (25) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules;
- “Platinum 10-Year Membership”** means the Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Canary* 2-Bedroom Villa and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of ten (10) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules;
- “Platinum 20-Year Membership”** means the Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Canary* 2-Bedroom Villa and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty (20) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules;
- “Purchase Price”** means the monies payable by the Timeshare Member to the Operator to purchase a Timeshare Membership to participate in the Iconic Vacation Club subject to and upon the terms and conditions contained under the Membership Agreement;
- “Royale 10-Year Membership”** means the Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Royale* 3-Bedroom Villa and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual

- Entitlement for a term of ten (10) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules;
- “Royale 20-Year Membership”** means the Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Royale* 3-Bedroom Villa and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty (20) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules;
- “RM” or “Ringgit Malaysia”** means the lawful currency of Malaysia;
- “Rules”** means the rules and regulations stipulated by the Operator and/or the Manager from time to time governing Iconic Vacation Club and the Timeshare Memberships and shall include such amendments and modifications made thereto from time to time;
- “Sinking Fund”** means a fund maintained by the Trustee which is made up of ten per centum (10%) of the Annual Maintenance Fee payable by a Timeshare Member to the Operator. This fund can only be released to the Operator to pay for the cost of periodic major repairs or replacements at the Holiday Resort;
- “Term”** means a term of ten (10) years (in respect of the Platinum 10-Year Membership and Royale 10-Year Membership), twenty (20) years (in respect of the Gold Membership, Platinum 20-Year Membership and Royale 20-Year Membership) and twenty five (25) years (in respect of the Platinum Membership) and or such other term as the Operator may offer from time to time, as the case may be, to commence from the Commencement Date as stipulated under the respective Membership Agreement;
- “Timeshare Members”** means those persons who have acquired a Timeshare Membership and fully paid the Purchase Price and who are for the time being registered as Members in the Register of Members or such persons who may in future acquire Timeshare Memberships and fully pay the Purchase Price and be registered as Members in the Register of Members;
- “Timeshare Membership”** means the contractual right granted to a Timeshare Member by the Operator whereupon each Timeshare Member is entitled to the Annual Entitlement every twelve (12) months, at the Holiday Resorts for the duration of the Term subject to the terms and conditions of the Membership Agreement and the Rules;

- “Trust Account”** means the interest-bearing account to be established and managed by the Trustee in respect of all monies receivable by the Operator;
- “Trust Deed”** means the trust deed dated 20<sup>th</sup> April 2012 entered into between the Operator of the first part, the Trustee of the second part and the Timeshare Members of the final part and shall include any amendments, modifications or changes made thereto;
- “Trustee”** means MY PREMIER TRUSTEE (MALAYSIA) BERHAD or the Trustee for the time being of the Trust Deed, whether original, additional or substituted.

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

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

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

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

## **1. INTRODUCTION TO THE PROSPECTUS**

### **1.1 Prospectus**

This Prospectus dated 11<sup>th</sup> May 2017 is issued by the Operator and shall remain valid for a period of six (6) months from the date hereof and is applicable for timeshare memberships in the Iconic Vacation Club to be sold by the Operator.

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

The Operator hereby declares:-

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

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

### **1.2 Legislation**

The principal legislation governing the establishment and operation of timeshare schemes in Malaysia is the Interest Schemes Act 2016, which inter alia requires any developer or operator of timeshare schemes intending to offer for sale, any “interest” in a timeshare scheme to the public which entitles a member the right to use the facilities of the scheme for a period of not less than three (3) years to comply with the requirements of the Interest Schemes Act 2016 and the policy guidelines issued by the Registrar of Companies in respect of timesharing arrangements.

## **2. BACKGROUND INFORMATION ON THE OPERATOR**

### **2.1 History of the Operator**

The Operator was incorporated in Malaysia on 25 February 2010 as a public limited company under the name of **ICONIC VACATION CLUB BERHAD** (Company No. 891079-P). During 2016, the Operator’s authorized share capital was increased from 5,000,000 to 10,000,000 Ordinary Shares of Ringgit Malaysia One (RM1.00) each and 10,000,000 new Convertible and Redeemable Preference Shares of Ringgit Malaysia One (RM1.00) each.



As at 31 December 2016, the paid-up capital has been increased from Ringgit Malaysia Three Million (RM3,000,000.00) to Ringgit Malaysia Twenty Million (RM20,000,000.00), consisting of ten million (10,000,000) Ordinary Shares of Ringgit Malaysia One (RM1.00) each and ten million (10,000,000) of Convertible and Redeemable Preference Shares of Ringgit Malaysia One (RM1.00) each.

The Operator is a wholly owned subsidiary of Sepang GoldCoast Sdn Bhd (Company No. 483004-P) a company incorporated in Malaysia with its business address at 4<sup>th</sup> Floor, Wisma CNI, No. 2, Jalan U1/17, Seksyen U1, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor.

## 2.2 Membership in the Malaysian Holiday Timeshare Operators' Federation ("MHTDF")

The Operator is a member of the Malaysian Holiday Timeshare Developers' Federation which is the association of timeshare developers/operators in existence in the country recognised by the Registrar of Companies.

## 3. CORPORATE INFORMATION

### 3.1 Corporate information of the Operator

**ICONIC VACATION CLUB BERHAD (Company No. 891079-P)** is a public company of limited liability incorporated under the laws of Malaysia with its business address at 4<sup>th</sup> Floor, Wisma CNI, No. 2, Jalan U1/17, Seksyen U1, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor.

#### Directors

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
Gan Chooi Yang	No. 57, Lorong 2, Kg. Sg. Jarom, 42600 Jenjarom, Selangor	Company Director
Gan Choo Ann	No. 19, Jalan Permata 7/1, Seksyen 7, 40000 Shah Alam, Selangor	Company Director
Ang Chee Kian	Lot 447, Batu 15, Sg. Jarom 42600 Jenjarom, Selangor	Company Director

#### Chief Executive Officer

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
Ang Chee Kian	4 <sup>th</sup> Floor, Wisma CNI, No. 2, Jalan U1/17, Seksyen U1, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor. Tel. No.: 03-55690800 Fax No.: 03-55690900 Email address : ceo@iconicvacationclub.com	Company Director

**Company Secretary**

<i>Name</i>	<i>Address</i>	<i>Occupation</i>
Chong Kooi Heng (MAICSA 00039)	No. 68, Jalan Suadamai 2/4, Bandar Tun Hussein Onn, 43200 Cheras, Selangor	Chartered Secretary

**Registered Office** Suite 816, 8<sup>th</sup> Floor, Sun Complex,  
Jalan Bukit Bintang,  
55100 Kuala Lumpur

**Principal Place of Business  
and Place of Register of  
Members** 4<sup>th</sup> Floor, Wisma CNI, No. 2, Jalan U1/17, Seksyen U1,  
Hicom Glenmarie Industrial Park,  
40000 Shah Alam, Selangor

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

**Trustee** **My Premier Trustee (Malaysia) Berhad**  
21-9, Offices Suites, 1 Mont'Kiara  
No. 1, Jalan Kiara, Mont' Kiara  
50480 Kuala Lumpur

**Reporting Accountants** **Russ Ooi & Associates (AF 0152)**  
Chartered Accountants  
No. 1-3B, Jalan Solaris, Solaris Mont' Kiara,  
50480 Kuala Lumpur

### **3.2 The Manager**

The Operator being the proprietor and Manager of Iconic Vacation Club is not subjected to any deed regulating its retirement removal and replacement as the Operator and Manager. The Operator may, with prior approval from the Trustee and the Registrar of Companies, appoint a Manager to manage Iconic Vacation Club but the Manager shall have no right whatsoever to remove retire and replace the Operator nor does the Manager have any powers whatsoever to terminate Iconic Vacation Club

The Operator being the Manager will be solely responsible for the management, upkeep and maintenance of the accommodations at the Holiday Resorts. Expenses incurred on this will be accounted for against the monies received for the Annual Maintenance Fee.

However, some resorts may require the Timeshare Member to bear expenses on utilities such as electricity and housekeeping.

The overall control and management of the day-to-day affairs of the Holiday Resorts under the Scheme shall be vested with the Manager.

Should the Operator appoint a Manager, such Manager may retire or resign as Manager upon giving three (3) months' written notice to the Operator of its desire to do so or such shorter period as the Operator and the Trustee shall agrees.

Such Manager shall on retirement or resignation deliver to the Operator or such person appointed by the Operator all books, documents, records and whatsoever relating to the Iconic Vacation Club.

Such Manager may be removed and another Manager appointed by the Operator with the prior consent of the Trustee.

### **3.3 The Marketing Agent(s)**

The Operator is the issuer of the Timeshare Memberships and may with prior consent of the Registrar of Companies appoint a marketing agent(s) (hereinafter referred to as "**the Marketing Agent(s)**") as its agent to promote and/or sell the Timeshare Memberships upon such terms and conditions as shall be agreed upon between the Operator and the Marketing Agent(s).

The Operator may appoint such other marketing agent(s) from time to time to replace the Marketing Agent(s) and/or in addition to the Marketing Agent(s) to promote and/or sell the Timeshare Memberships subject to the prior written consent of the Registrar of Companies having been obtained first

#### **4. CORPORATE PROFILE**

##### **4.1 Corporate Profile of the Board of Directors and Chief Executive Officer of the Operator**

###### ***Directors***

###### **Gan Chooi Yang**

Mr Gan Chooi Yang is the Executive Chairman and the Chief Executive Officer of Sepang Goldcoast Sdn Bhd, the holding company of Iconic Vacation Berhad.

He is also the founder, visionary and major shareholder of the CNI Group of Companies, a multi-level marketing company with operations in Malaysia, Indonesia, Singapore, China, India and the USA. He formed the first multi-level marketing company in Indonesia in 1986. He is currently the Executive Chairman of CNI International, the umbrella organization of the CNI Group of Companies worldwide.

###### **Gan Choo Ann**

Mr. Gan Choo Ann is the Chairman of the Tenders Committee of Sepang Goldcoast Sdn Bhd. He is also a director in EJ International Sdn Bhd, Koleksi Embun Sdn Bhd, Swiss Paradise Sdn Bhd, Eternal Bayview Sdn Bhd, Glorious Outlook Sdn Bhd and the share holder of Aras Puncak Sdn Bhd, Jugra Paradise Sdn Bhd and Kristalbond Technologies Sdn Bhd.

Mr. Gan is well verse in the agriculture and aquaculture industry and has existing investments in tiger prawn farming and the hatchery of garoupa fishes, which is being supplied to local & international market. He also has investments in organic dragon fruit farming in Jugra and Sepang.

###### **Ang Chee Kian**

Mr. Ang Chee Kian has extensive experience in government liaison and has been instrumental in ensuring close cooperation between Sepang Goldcoast Sdn Bhd and the governmental authorities. He is instrumental in the setting up of the Iconic Vacation Club timeshare scheme and is actively involved in the operation and management of the Iconic Vacation Club.

###### ***Director and Chief Executive Officer***

###### **Ang Chee Kian**

Mr. Ang Chee Kian has extensive experience in government liaison and has been instrumental in ensuring close cooperation between Sepang Goldcoast Sdn Bhd and the governmental authorities. He is instrumental in the setting up of the Iconic Vacation Club timeshare scheme and is actively involved in the operation and management of the Iconic Vacation Club.

## **5. THE ICONIC VACATION CLUB**

### **5.1 Nature of the Scheme**

Membership in the Scheme will confer upon the Timeshare Members (i) the right as a mere licensee of the Operator to use and occupy, subject to availability and on a “first-come-first-served” basis, holiday accommodation at the Holiday Resorts that the Operator may provide from time to time for the Annual Entitlement, for the duration of the Term (depending on the type of membership), in accordance with the terms and conditions contained in the Membership Agreement, the Rules and the Affiliation Agreement (if applicable); and (ii) the right to use the Facilities as the Operator may provide from time to time at the Holiday Resorts subject to the Rules and the terms and regulations of each Holiday Resort.

The Annual Entitlement to use the accommodation units will be based on an “**Anniversary Year**” basis, i.e. the Timeshare Members would have a period of 12 months or 365 days (commencing on the date of their respective Membership Agreement and anniversary dates thereafter) during each Annual Entitlement in which to utilise the Annual Entitlement. The Operator has for the purposes of operating the Scheme, purchased the accommodation units at the Holiday Resorts listed in **Appendix I Part B** hereto.

The Iconic Vacation Club is a “right-to-use” scheme and does not create in or confer upon the Timeshare Members any title, interest (actual or beneficial), tenancy, estate, share, ownership or proprietary right whatsoever in or over any of the Holiday Resorts or in the assets or business or undertakings of the Operator and the Timeshare Members are not entitled to distribution of income of any nature whatsoever. The use of the accommodations in the Holiday Resorts is always subject to availability and reservation requirements.

### **5.2 Rights of the Timeshare Member to utilise Accommodations**

Pursuant to the purchase of a Timeshare Membership, the Timeshare Member has the right to utilise the accommodations offered in the various Holiday Resorts or under the Internal Affiliation programme (if applicable) for the Annual Entitlement, for the duration of the Term (depending on the type of membership), subject to the terms and conditions contained in the Membership Agreement, the Rules and the Affiliation Agreement (if applicable).

### **5.3 Types of Membership Available**

The categories of Timeshare Memberships in the Iconic Vacation Club currently offered by the Operator are as follows:-

#### **i) The Gold Membership**

The Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Travelers Studio Villa* and the right to use the Facilities during the Timeshare Member’s stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty (20) years commencing on the Commencement Date subject to

and upon the terms and conditions contained in the Membership Agreement and the Rules.

ii) **The Platinum Membership**

The Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Canary* 2-Bedroom Villa and the right to use the Facilities during the Timeshare Member's stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty five (25) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules.

iii) **The Platinum 20-Year Membership**

The Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Canary* 2-Bedroom Villa and the right to use the Facilities during the Timeshare Member's stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty (20) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules.

iv) **The Platinum 10-Year Membership**

The Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Canary* 2-Bedroom Villa and the right to use the Facilities during the Timeshare Member's stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of ten (10) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules.

v) **The Royale 20-Year Membership**

The Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Royale* 3-Bedroom Villa and the right to use the Facilities during the Timeshare Member's stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of twenty (20) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules.

vi) **The Royale 10-Year Membership**

The Timeshare Membership whereby the Timeshare Member will be entitled to use and occupy, subject to availability, a *Royale* 3-Bedroom Villa and the right to use the Facilities during the Timeshare Member's stay at one of the accommodation units at the Holiday Resorts for the Annual Entitlement for a term of ten (10) years commencing on the Commencement Date subject to and upon the terms and conditions contained in the Membership Agreement and the Rules.

The Operator may increase the categories of Timeshare Memberships stated herein in future by the creation of new categories of Timeshare Memberships with a shorter or different term from the Term stated herein, with prior approval from the Trustee and the Registrar of Companies.

#### 5.4 Maximum Number of Timeshare Memberships

The Operator shall ensure that at any time the maximum number of Timeshare Memberships offered for sale to the public shall not exceed the number of accommodation units available in the Holiday Resorts for the Iconic Vacation Club multiplied by fifty-one (51) representing the number of available weeks of use of a unit in the Holiday Resort.

The Operator has set aside one week which shall consist of seven nights for each unit of accommodation for purposes of maintenance, up-keep and refurbishment of the accommodation units.

Pursuant to the Trust Deed, the Operator has allocated into the Iconic Vacation Club, a total of forty five (45) units of accommodation and the initial total number of Timeshare Memberships which the Operator is entitled to sell to the public pursuant to the Trust Deed and this Prospectus is 2,295, in the various proportions as follows:

<b>Categories of Timeshare Memberships</b>	<b>No. of Timeshare Memberships available for sale</b>
Gold Membership	1,173
Platinum Membership	-
Platinum 20-Year Membership Platinum 10-Year Membership	1,071
Royale 20-Year Membership Royale 10-Year Membership	51
	2,295

As at the date of this Prospectus, the Operator has sold the following Timeshare Memberships comprising of: -

<b>Categories of Timeshare Memberships</b>	<b>Maximum number of Timeshare Memberships available for sale</b>	<b>Number of Timeshare Memberships sold as at 28 April 2017</b>	<b>Balance number of Timeshare Memberships available for sale</b>
Gold Membership	1,173	1,015	158

<b>Categories of Timeshare Memberships</b>	<b>Maximum number of Timeshare Memberships available for sale</b>	<b>Number of Timeshare Memberships sold as at 28 April 2017</b>	<b>Balance number of Timeshare Memberships available for sale</b>
Platinum 10-Year Membership Platinum 20-Year Membership	1,071	683	388
Royale 10-Year Membership Royale 20-Year Membership	51	-	51
<b>Total</b>	<b>2,295</b>	<b>1,698</b>	<b>597</b>

The Operator may, from time to time, with prior approval from the Trustee and the Registrar of Companies, re-allocate the accommodation units that are allocated for each type of Timeshare Membership in accordance with market forces. Additional Timeshare Memberships may with prior approval from the Trustee and the Registrar of Companies, be created from the addition of accommodation units to the inventory of the Iconic Vacation Club and offered for sale by the Operator. The Operator shall not issue more than 50% of its Timeshare Memberships to foreigners PROVIDED ALWAYS that if the Timeshare Memberships allocated by the Operator to Malaysians are not purchased by Malaysians after the expiry of a period of twelve (12) months from the date of the Trust Deed, the Operator shall be entitled to offer such Timeshare Memberships to foreigners upon such terms and conditions as may be prevailing and as imposed by the relevant authorities at the relevant time.

## 5.5 Purchase Price

As at the date of this Prospectus, the Purchase Price of the Timeshare Memberships offered to the public by the Operator shall be as follows:-

<b>Type of Timeshare Membership</b>	<b>Purchase Price</b>
The Gold Membership	RM40,000.00 (exclude Goods & Services Tax)
The Platinum 10-Year Membership	RM40,000.00 (exclude Goods & Services Tax)
The Platinum 20-Year Membership	RM60,000.00 (exclude Goods & Services Tax)



<b>Type of Timeshare Membership</b>	<b>Purchase Price</b>
The Royale 10-Year Membership	RM98,000.00 (exclude Goods & Services Tax)
The Royale 20-Year Membership	RM138,000.00 (exclude Goods & Services Tax)

The subsequent value of the Purchase Price payable for the Timeshare Memberships will be at such other sum as shall be stipulated by the Operator from time to time as the Operator deems fit, based on a value which corresponds to the value, quality and duration of the Holiday Resorts and also based on market forces, whichever is the higher.

The method of calculation of the highest price at which the Purchase Price may be sold by the Operator shall be assessed and valued by *adding* the allocated revenue due to the Operator *with* the costs and operating expenses projected to be incurred by the Operator. The Operator's allocated revenue shall be based and derived from the projected income and revenue in accordance with the occupancy and average hotel room rack rate in respect of the Holiday Resorts, which will be the *current* costs to customers who request accommodation for the same day without prior booking arrangement. The Operator's projected costs and operational expenses shall *include* all costs and expenses in relation to rental and property leases payable in respect of the Holiday Resorts; ownership expenses in respect of the Holiday Resorts; and service and administration expenses, costs and operating expenses, management contracts expenses, miscellaneous and residual expenses in respect of the scheme for the duration of the term.

## **5.6 Other Dues and Charges**

### **i) Annual Maintenance Fee**

In addition to the Purchase Price, Timeshare Members are also required to pay to the Operator the Annual Maintenance Fee which will be used by the Operator for the maintenance and upkeep of the Holiday Resorts.

The Annual Maintenance Fee shall be payable every year. The Annual Maintenance Fee may be varied or modified from time to time by the Operator Provided Always that any increase by more than five per centum (5%) of the prevailing Annual Maintenance Fee subsisting at the particular time, shall require the prior approval of the Trustee and the Timeshare Members must be informed. Ten per centum (10%) of the Annual Maintenance Fee will be put into the Sinking Fund for the purpose of covering the costs of periodic major repairs or replacement to the Facilities in the Holiday Resorts.

The Annual Maintenance Fee as at the date of this Prospectus are as follows:

<b>Type of Timeshare Membership</b>	<b>Annual Maintenance Fee ("AMF) Per Annum</b>
The Gold Membership	RM425.00 (exclude Goods & Services Tax)
The Platinum Membership	RM550.00 (exclude Goods & Services Tax)
The Platinum 10-Year Membership	RM995.00 (exclude Goods & Services Tax)

<b>Type of Timeshare Membership</b>	<b>Annual Maintenance Fee (“AMF) Per Annum</b>
The Platinum 20-Year Membership	RM995.00 (exclude Goods & Services Tax)
The Royale 10-Year Membership	RM2,700.00 (exclude Goods & Services Tax)
The Royale 20-Year Membership	RM2,700.00(exclude Goods & Services Tax)

The Timeshare Member’s Annual Maintenance Fee will be due annually on the first day of his Anniversary Year. The Timeshare Member shall pay the Annual Maintenance Fee to the Operator within thirty (30) days from the date of issuance of the relevant statement by the Operator whether or not the Timeshare Member has used the Annual Entitlement during the preceding Anniversary Year. The Timeshare Member shall also pay the Annual Maintenance Fee upon the Advance of an Annual Entitlement. Therefore, if the Timeshare Member advances any Annual Entitlement from the next Anniversary Year, he has to pay in full the Annual Maintenance Fee payable for the next Anniversary Year as well.

ii) **Late Payment Charges**

The Operator is entitled to impose late payment charges of 2% per month with monthly rests on the outstanding sum owing for any overdue payment of the Annual Maintenance Fee and any other moneys due and owing to the Operator calculated from the due date of payment of all such moneys overdue until the date of actual payment.

**5.7 Register of Timeshare Members**

The Operator shall establish and maintain a register of the Timeshare Members (“**Register of Members**”) which shall be kept under the control of the Operator in written form or by other means (including microfilm, microfiche or electronic recording) as the Trustee may from time to time approve, with the following details:-

- (a) the names, addresses, identity card or passport number and the membership number of each Timeshare Member;
- (b) the date on which the name of each Timeshare Member was entered into the Register;
- (c) the date on which any person ceases to be a Timeshare Member;
- (d) all transactions involving the Timeshare Member;
- (e) any change of name or address or identity card or passport number or any other relevant details on the part of the Timeshare Member;
- (f) any other details involving the Timeshare Member which are deemed necessary by the Operator.

The Register of Members shall be kept up to date. In the event of any discrepancy whatsoever, unless manifestly incorrect, the entries made in the Register of Members shall be deemed to be correct and the Trustee shall be entitled to accept the Register of Members as being correct as at that time.

Timeshare Members shall notify the Operator in writing of any change of the above details or any other relevant particulars on the part of any Timeshare Member and the Operator shall update the Register of Members accordingly.

The Trustee shall ensure that the Register of Members is properly maintained and that the maximum number of Timeshare Memberships for sale corresponds to the number of accommodation units available in the Holiday Resorts.

The Operator shall ensure that the Register of Members shall be made available for inspection of the Trustee and/or Timeshare Members at the place of business of the Operator free of charge during working hours of the Operator and shall ensure that all information and extracts from the Register of Members as requested by the Trustee from time to time is provided to the Trustee in an expedient manner. The Operator reserves the right to delete the names of the Timeshare Members whose Timeshare Memberships are terminated.

The Register is available for inspection at the Operator's principal place of business, without any charge, by the Timeshare Members and the Trustee from 9.00 a.m. to 5.00 p.m. on Mondays to Fridays except public holidays.

## 6. APPLICATION FOR MEMBERSHIP

An applicant ("**Applicant**") may purchase a Timeshare Membership by executing an application form in the form prescribed by the Operator ("**the Application Form**") to be submitted together with the requisite payment of a minimum of ten per cent (10%) of the Purchase Price to the Operator. All payments shall be made payable to the Trustee and shall state that it is for the account of the **MY Premier - Iconic Trust A/C**.

### 6.1 Cooling Off Period

Notwithstanding the submission of the Application Form, an Applicant is entitled to elect in writing to withdraw his/her application for the purchase of any Timeshare Membership by giving notice in writing to and the receipt of which shall be duly acknowledged by the Operator, during the Cooling-Off Period (10 days) and to obtain a full refund of such sums of moneys paid free of interest without any deduction or penalty within sixty (60) days from the date of such application.

## 7. HOLIDAY RESORTS

The Holiday Resorts, encumbrances and list of accommodation units allocated to the different types of Timeshare Memberships offered in the Scheme are set out in **Appendix I Part B** hereto. The Holidays Resorts are part of the resort which particulars and common facilities are set out in **Appendix I Part A** hereto. The list of facilities and amenities available in the accommodation units of the Holiday Resort ("**the Facilities**") is set out in **Appendix II** hereto.

## **8. OTHER KEY FEATURES OF ICONIC VACATION CLUB**

### **8.1 Utilisation**

#### **i) Accrual of the Annual Entitlement**

All or part of the Annual Entitlement which is not utilized for a current year may be carried forward to the following year subject to the terms of the Membership Agreement and the Rules.

#### **ii) Advance of the Annual Entitlement**

The Annual Entitlement may be advanced from a following year to be utilized in the current period of entitlement subject to the terms of the Membership Agreement and the Rules.

### **8.2 Exchange Facility**

#### **i) Affiliation Agreement**

The Operator currently has not entered into any Affiliation Agreement with any international exchange organisation.

#### **ii) Internal Affiliation**

As an additional benefit to Timeshare Members, the Operator may, from time to time, enter into Internal Affiliation with third party resort operators (either locally within Malaysia or internationally) for reciprocal arrangements to provide additional accommodation units in properties affiliated with the Operator, for the Timeshare Members to exchange their Annual Entitlement for utilisation at such affiliated resorts and vice versa. An Internal Affiliation Fee of such amount as shall be charged by the affiliated resorts from time to time shall be payable by Timeshare Members for reservations made through the Internal Affiliation programme.

The Internal Affiliation exchange is not a guaranteed right and shall be subject to availability of accommodation at such affiliated resorts. It is hereby expressly stipulated that any arrangement entered into by the Operator shall not be perpetual and shall be subject to termination or change by either the Operator or the affiliated resorts. Pursuant thereto, the Operator shall not be liable to any Timeshare Members whatsoever for any change and/or termination thereof and/or non-replacement thereto. Timeshare Members are obliged to make the necessary enquiries with Member Services prior to making an exchange.

Timeshare Members are advised to obtain further information from Member Services on the list of affiliated resorts in the Internal Affiliation programme and exchange requirements for such utilisation.

The Operator currently has not entered into any Internal Affiliation with any third party resort operators.

### 8.3 Transfer / Transmission of Membership

- i) Provided that the Timeshare Member is not in breach of any of the terms and conditions of the Membership Agreement and the Rules and no monies are due and owing to the Operator, the Timeshare Membership may be transferable/assignable (in whole only but not in part) to a third party (“**the Transferee**”) subject to the prior written consent/approval of the Operator and subject to the fulfilment of all the terms and conditions of the Membership Agreement and the Rules (if applicable) governing the transfer/assignment of such Timeshare Membership and subject to the following conditions:-
- a) full settlement of the Purchase Price, the Annual Maintenance Fee and all monies due, payable and owing to the Operator under the terms and conditions of the Membership Agreement;
  - b) the various terms and conditions of the Membership Agreement;
  - c) the proposed Transferee is a person acceptable to the Operator and the proposed Transferee agrees in writing to be bound by the terms and conditions of the Membership Agreement as if he was a party thereto in place of the Timeshare Member;
  - d) the Timeshare Member shall have given notice in writing to the Operator of the proposed transfer giving the name of the proposed Transferee in the prescribed form and such other particulars and information as the Operator may require at least two (2) months before the date of the proposed transfer;
  - e) the Timeshare Member shall have paid to the Operator a fixed charge (exclude Goods & Services Tax) in the sum equivalent to ten per centum (10%) of the prevailing market price of the Timeshare Membership sold by the Operator at the time of transfer (“**the Transfer Fee**”) or such other amount as shall be determined by the Operator as the Transfer Fee from time to time, on giving the notice in writing as aforesaid for such transfer;
  - f) the Timeshare Member is required to furnish to the proposed Transferee a copy of the current statement (prospectus) failing which the said Timeshare Member would be committing an offence under Section 363 of the Companies Act;
  - g) the Timeshare Member who wishes to sell his/her Timeshare will be provided with a current statement (prospectus) within 14 days upon request in writing and payment of a fee not exceeding RM20.00 to the Operator.
- ii) The Timeshare Member and any person who intends to purchase a Timeshare Membership is entitled to request, on payment of a fee not exceeding Ringgit Malaysia Five (RM5.00) only, that the Operator furnishes him within fourteen (14) days of such payment, a certificate certifying inter alia:-
- (a) that the Purchase Price and the Annual Maintenance Fee are in good standing and not in arrears;

- (b) a disclosure of all legal proceedings in existence or contemplated (if any) that the Operator is aware of, affecting the Operator and/or Iconic Vacation Club; and
  - (c) whether the Holiday Resorts are sufficiently covered by insurance.
- iii) The Operator may decline to register any transfer of Timeshare Membership where the Timeshare Member making the transfer has not fulfilled all necessary terms and conditions of the Timeshare Membership including those terms and conditions contained under the Membership Agreement and/or the Rules. In the event that the account of the Timeshare Member making the transfer is not found to be in good standing, the Operator shall not register the transfer until all dues and fees have been satisfactorily settled by the said Timeshare Member.
- iv) The transfer shall be deemed to be effective upon the Operator admitting the Transferee into the Register of Members.
- v) Upon the registration of the transfer of the Timeshare Membership, the Transferee shall be entitled to receive all relevant documents evidencing his title to such Timeshare Membership and he shall thereafter be a Timeshare Member of Iconic Vacation Club. The name of the Transferor shall be superseded by the name of the Transferee in the Register of Members and all relevant documents of Timeshare Membership will thereafter be updated.
- vi) Subject to the provisions of the Membership Agreement, the rights and obligations of a Timeshare Member who is natural person may in consequence of his death, bankruptcy or legal incapacity devolve upon his legal representative or any person lawfully entitled to it by forwarding such evidence acceptable to the Operator.

## **9. THE TRUSTEE FOR THE SCHEME**

### **9.1 The Trust Deed and Parties to the Deed**

The Operator, the Trustee and the Timeshare Members have entered into a Trust Deed dated 20<sup>th</sup> April 2012, the First Supplemental Trust Deed dated 17<sup>th</sup> December 2013, the Second Supplemental Trust Deed dated 18<sup>th</sup> December 2014, the Third Supplemental Trust Deed dated 13<sup>th</sup> April 2015, the Fourth Supplemental Trust Deed dated 22<sup>th</sup> October 2015, the Fifth Supplemental Trust Deed dated 27<sup>th</sup> April 2016.

The appointment of My Premier Trustee (Malaysia) Berhad as the Trustee has been made for the benefit and in the interest of the Timeshare Members in the Scheme.

The main purpose of the Trust Deed is to protect the rights and interests of the Timeshare Members. The Trust Deed specifically sets down, amongst other things, the duties and responsibilities of the Trustee which include administration of the Trust Account into which all monies received from Timeshare Members are paid and ensuring that monies released to the Operator are used appropriately in accordance with the terms and conditions of the Trust Deed. This basically ensures that there will be enough funds from monies received from Timeshare Members to maintain the quality and standards of the Holiday Resorts for the enjoyment of Timeshare Members for the full duration of the Scheme.

A copy of the Trust Deed will be made available to Timeshare Members for their perusal at the Operator's premises during office hours.

## **9.2 The Trustee**

My Premier Trustee (Malaysia) Berhad (Company No. 719395-T) is a company incorporated in Malaysia and registered as a trust company pursuant to the Trust Companies Act, 1949 and has its business office at 21-9, Offices Suites, 1 Mont' Kiara, No.1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur.

The principal responsibilities of the Trustee are set out at length in this Prospectus.

## **9.3 Covenants and Duties of the Trustee**

The Trustee covenants with the Operator and with the intent that the benefit of the covenants ensure not only to the Operator but also to the Timeshare Members jointly, and each of them severally, that during the term of its appointment under the Trust Deed, it shall:-

- (a) exercise all due diligence and vigilance in carrying out its functions and duties therein and overseeing the rights and interests of the Timeshare Members as therein described;
- (b) in the event that trust accounts are to be established by it pursuant to the provisions therein, deal with the funds in the trust accounts in the manner stipulated therein;
- (c) ensure that the Register of Members is properly maintained by the Operator;
- (d) ensure that the Holiday Resorts are adequately covered by insurance for the duration of the term of the Timeshare Memberships;
- (e) keep or cause to be kept proper books of account in relation to the interests to which the Trust Deed relates;
- (f) cause those accounts to be audited at the end of each financial year by the Auditors;
- (g) send or cause to be sent by post a statement of the accounts of the Trust Account with the report of the Auditors thereon within two months of the end of the financial year to each of the Timeshare Members;
- (h) ensure that the Operator's obligations are properly discharged.
- (i) cause the Operator to ensure that the development and facilities of the Holiday Resorts as promised in the Trust Deed are delivered and properly maintained;
- (j) make regular visits to the accommodation units allocated at the Holiday Resorts, to inspect the conditions of the said accommodation units and its Facilities and seek remedial actions in the event of any matter not to its satisfaction;

- (k) ensure that the interest of the Timeshare Members are preserved and protected;
- (l) investigate into complaints by Timeshare Members;
- (m) report to the Registrar of Companies in the event of any non-compliance by the Operator with the covenants of the Trust Deed;
- (n) cause the Operator to ensure that the strata titles for the units in the *Travelers Studio Villa*, *Canary 2-Bedroom Villa* and *Royale 3-Bedroom Villa* to be used in the Iconic Vacation Club will be registered in the name of the Operator upon issuance of the strata titles by the relevant authority in due course;
- (o) receive the Purchase Price paid by the Timeshare Members and hold the same in a designated trust account (hereinafter referred to as “**the Trust Account**”) and deal with the same in a manner set out in accordance with the Trust Deed;
- (p) establish a Sinking Fund from part of the Annual Maintenance Fee paid by the Timeshare Members for the purpose of covering the costs of periodic major repairs or replacement to the accommodation units at the Holiday Resorts and/or the Facilities therein. For the avoidance of doubt, major repairs or replacement to the accommodation units at the Holiday Resorts and/or the Facilities therein shall be such repairs or replacement which exceeds Ringgit Malaysia Ten Thousand (RM10,000.00) only;
- (q) open and operate such bank accounts (including fixed deposit accounts and money market placements) in the name of the Trustee and/or the Operator as are from time to time considered by the Trustee in consultation with the Operator to be appropriate;
- (r) authorise any one or more of its officers to sign any document on its behalf other than where the document in question is a deed in which case it must be executed by the Trustee under its common seal;
- (s) invest all or any part of the monies in the Trust Account and the Sinking Fund in any investment provided in Section 4 and Section 5 of the Trustees Act 1949 and Section 8 and Section 18 of the Trust Companies Act 1949 and to this end, including but not limited to, investing:-
  - in units, unit trusts or other investment funds;
  - by placing the same on deposit with any local authority, bank, discount house or finance company at such rate of interest (if any) and upon such terms as the Trustee shall think fit;

**PROVIDED ALWAYS** that each time that the Trustee seeks to make an investment as provided above, the Trustee shall first confer with the Operator to obtain the Operator’s written sanction of such investment.

- (t) The Operator and the Trustee shall ensure that a Liaison Committee is formed by the Timeshare Members for the purpose of establishing a channel of communication between the Operator and the Timeshare Members.



#### **9.4 Remuneration of the Trustee**

The Operator shall pay the Trustee by way of remuneration for its services hereunder such sum as shall be agreed upon between the Trustee and the Operator commencing from the date of the Trust Deed and throughout the period the Trustee shall remain as Trustee of the Trust Deed.

All out of pocket expenses to be incurred by the Trustee for the performance of its duties under the Trust Deed shall be reimbursed by the Operator to the Trustee as and when the same is incurred

#### **9.5 Retirement, Removal and Replacement of the Trustee**

The provisions of the Trust Deed governing the retirement, removal and replacement of the Trustee are set out below:

9.5.1 The Trustee may retire upon giving six (6) months' written notice to the Operator of its desire to do so, or such shorter period as the Operator and the Trustee shall agree, and the Operator may by deed appoint in his stead or as an additional trustee another trust corporation registered under the Trust Companies Act, 1949 and approved by the relevant authorities, to replace the Trustee as the trustee herein provided always that the Trustee shall not retire until a new trustee is appointed and Clauses 9.5.2(c), (d), (e), (f), (g), (h) and (i) shall apply.

9.5.2 The Trustee may be removed and a new Trustee (duly approved as set out in Clause 9.5.1) may be appointed if:-

- (a) at least seventy-five per centum (75%) of the Timeshare Members in writing so requested or by a majority of not less than seventy-five per centum (75%) of the votes of those Timeshare Members present (in person or by proxy) at a duly convened meeting of which notice has been given to the Trustee, the Operator and the Timeshare Members for the time being, and a resolution is passed removing the Trustee and appointing the new Trustee; or
- (b) the Trustee goes into liquidation otherwise than for the purpose of amalgamation or reconstruction or ceases to carry on business or a receiver of its undertaking is appointed;

then in either case:-

- (c) the Operator shall forthwith in writing remove the Trustee from its appointment under the Trust Deed and shall in writing appoint the new Trustee duly approved in accordance with this Clause 9.5;
- (d) the new Trustee so appointed shall execute a deed in such form as the Operator may require whereby the new Trustee shall undertake to the Operator and the Timeshare Members jointly and severally all the obligations of the retiring Trustee hereunder;

- (e) the Trustee shall from the date of such removal be released from the Trust Deed and the trusts and provisions thereof (but without prejudice to liability for any antecedent breach by the Trustee);
- (f) the new Trustee shall and may thereafter exercise all the powers and enjoy all the rights and shall be subject to all duties and obligations of the retiring Trustee thereunder as fully as though such new trustee had been originally named as a party thereto;
- (g) the Operator shall be entitled to settle with the Trustee the amount of any sums payable by the Trustee to the Operator or by the Operator to the Trustee under the provisions thereof and to give and accept from the Trustee discharge in respect thereof and any such settlement or discharge shall (except in the case of fraud or any antecedent neglect or default or breach of trust on the part of the Trustee or any antecedent breach of its duties imposed by statute or rule of law) be conclusive and binding upon all parties thereto provided always that no settlement or discharge under the provisions of this Clause 9.5.2 (g) shall be binding on the Timeshare Members or affect any liability of the Trustee or the Operator to the Timeshare Members which may have accrued before the Trustee's removal;
- (h) the Trustee shall also refund a pro-rated portion of their fees for the unexpired term to the Operator;
- (i) the Trust Account and the Sinking Fund shall vest or be vested by the Trustee so removed in such new trustee and the Trustee shall deliver to the new trustee all books, documents, records and other property whatsoever relating to the same to the new Trustee;
- (j) on every change in the trusteeship a supplemental trust deed shall be made between the Operator, the retiring Trustee and the new trustee and any person dealing with the new trustee shall be entitled to rely upon such supplemental trust deed as sufficient evidence that the new trustee named in the supplemental trust deed is the duly constituted Trustee for the time being of the Trust Deed as fully as though such new trustee had been originally named as a party thereto; and
- (k) the retiring Trustee shall not delay its approval of the requisite supplemental trust deed appointing the new trustee and shall execute the requisite supplemental trust deed once the application by the Operator for the appointment of the new trustee has been approved by the Minister and the Registrar of Companies.

#### **10. LIAISON COMMITTEE**

- i) The Operator and the Trustee shall ensure that a Liaison Committee is established for the purpose of establishing a channel of communication between the Operator and the Timeshare Members.
- ii) The Liaison Committee shall consist of not less than five (5) and not more than eight (8) Timeshare Members, none of whom shall be connected in any way to the Operator or its related companies, who shall be appointed by the Timeshare Members from

amongst their number at an annual general meeting to be convened for that purposes by the Trustee within one (1) year from the date of the Trust Deed in accordance with the provisions therein. Each Liaison Committee shall serve for a term not exceeding one (1) year at the end of which period, a new Liaison Committee shall be re-constituted by another annual general meeting. Members of the previous Liaison Committee may seek re-appointment.

- iii) The function of the Liaison Committee is to advise the Trustee from time to time with respect to any breach of covenants in the Trust Deed by the Operator and of their views on the activities and management of Iconic Vacation Club. The Liaison Committee shall NOT at any time be deemed to be vested with any rights or powers in the management of Iconic Vacation Club and/or of the Operator in any way or to enforce the provisions of the Trust Deed without the concurrence of the Trustee.

## **11. MEETING OF TIMESHARE MEMBERS**

### **11.1 Types of Meeting**

The Operator and/or the Trustee may convene a Timeshare Members' meeting for the following purposes:-

- (a) to appoint the members of the Liaison Committee for the purpose of laying the Audited Trust Account and Sinking Fund account; or
- (b) to remove the Trustee under Clause 9.5.2; or
- (c) to amend and/or modify the Trust Deed (where the Registrar of Companies or the Trustee deem it necessary); or
- (d) as requested by the Timeshare Members.

(reference to the “**Meeting**” shall refer to an annual general meeting (“AGM”) or extraordinary general meeting (“EGM”), as the case may be, or both the AGM and EGM where the AGM and EGM are held together..

The AGM shall be held each year at the Operator's place of business or such place as determined by the Operator.

### **11.2 Requests for the Meetings**

- (a) The Operator will within twenty one (21) days after an application for a Meeting is delivered to the Operator at its registered office, being an application in writing by not less than fifty (50) or one tenth (1/10) in number, whichever is the lesser of the Timeshare Members, summon a meeting of the Timeshare Members for the purpose of laying before the Meeting the Trust Account and Sinking Fund account and balance sheet and/or for the purpose of giving to the Trustee such direction as the Meeting thinks proper, by sending notice by post of the proposed Meeting at least seven (7) days before the proposed Meeting to each of the Timeshare Members at his last known address or in the case of joint holders (if any) to the joint holder whose name stands first in the Register of Members and by publishing at least fourteen (14)

days before the proposed meeting an advertisement giving notice of the meeting in a newspaper circulating generally throughout Malaysia.

- (b) Any Meeting summoned by the Operator and/or Timeshare Member and/or Trustee more specifically but not limited to the purpose pursuant to Clause 4.6 of the Trust Deed and/or this Clause 11, shall be held in accordance with the prescribed proceedings as stated under Clause 4.6 of the Trust Deed and/or this Clause 11, at the time and place specified in the notice, being a time not later than two (2) months after the giving of the said notice.
- (c) No business other than that specified in the notice of the Meeting and documents sent with such notices shall be considered at the Meeting.
- (d) Any request for the Meeting by the Timeshare Members must be delivered in writing to the Operator.
- (e) The Trustee shall comply with the direction given at a meeting summoned pursuant to Clause 4.6 (f) of the Trust Deed and/or this Clause 11.2(a), unless inconsistent with the Trust Deed or the Companies Act and shall not be liable for anything done or omitted to be done by it in compliance with the direction as aforesaid.
- (f) Pursuant to Clause 4.6 (z) of the Trust Deed and/or this Clause 11.2 (e), where the Trustee is of the opinion that any direction so given is inconsistent with the Trust Deed or the Companies Act or is otherwise objectionable, the Trustee may apply to the court for an order confirming, setting aside or varying the direction and the court may make such order as it thinks fit.

### 11.3 **Attendees**

The Operator shall be entitled to attend the Meetings but it shall not be entitled to vote at or be counted in the quorum of such Meetings. The Trustee and its solicitors and any director and secretary and solicitor of the Operator and any other person authorized in that behalf by the Operator may attend and speak at such meeting.

### 11.4 **Chairman of the Meetings**

The Meetings shall be held under the chairmanship of such person as is appointed in that behalf by the Timeshare Members present at the Meetings or where no such appointment is made, a nominee of the Trustee or a representative approved by the Registrar of Companies and it shall be conducted in accordance with the Trust Deed or as directed by the chairman of the Meeting.

### 11.5 **Quorum and Adjournment of the Meetings**

- (a) No business shall be transacted at any Meeting unless a quorum of the Timeshare Members is present in person or by proxy at the commencement of business. Save as otherwise provided, twenty (20) Timeshare Members or one-tenth (1/10) of the Timeshare Members, whichever is the lesser, registered in the Register of Members on the date of the meeting, present in person or by proxy shall be a quorum.

- (b) If within an hour from the time appointed for the Meeting, a quorum is not present, the Meeting if convened upon the requisition of Timeshare Members shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than fifteen (15) days thereafter and to such place as may be determined by the Operator or the Trustee and at such adjourned Meeting, the Timeshare Members present in person or by proxy shall be a quorum for the transaction of business including the passing of any Extraordinary Resolution. At least seven (7) days' notice of any adjourned Meeting of Timeshare Members shall be given in the same manner as for an original Meeting and such notice shall state that the Timeshare Members present in person or by proxy at the adjourned Meeting whatever their number shall form a quorum.
- (c) The chairman may with the consent of the Meeting at which a quorum is present and shall if so directed by the Meeting adjourn the Meeting from time to time for a period not exceeding one (1) calendar year and from place to place but no business shall be transacted at the adjourned Meeting other than business which might lawfully have been transacted at the Meeting from which the adjournment took place.

## 11.6 Voting

- (a) Voting for Meetings shall be by way of a show of hands with a simple majority vote save that:-
  - (i) in respect of any alteration, modification, addition or deletion to the Trust Deed which the Trustee does not certify as not prejudicial to the interest of the Timeshare Members in accordance with Clause 15 thereto, such alteration, modification, addition or deletion may only be effected with the consent of a resolution passed by a majority of not less than fifty per centum (50%) of the votes of those present (in person or by proxy); or
  - (ii) in respect of such matters required by the provisions of the Companies Act or the Trust Deed, by a majority of seventy-five per centum (75%) of those present and voting.
- (b) In the event of equality of votes the chairman shall not have a casting vote.
- (c) Each Timeshare Member shall have one vote for each Timeshare Membership owned. No vote may be counted while the Timeshare Member is in arrears on payments due and payable or if the Timeshare Member is in breach of any of the terms and conditions of the Membership Agreement..
- (d) For the purpose of voting, the Register of Members at close of business fifteen (15) clear working days or lesser before the date of the Meetings shall be conclusive as to the identity of the Timeshare Members and the number of Timeshare Memberships issued by the Operator.
- (e) Every question arising at any Meeting shall be decided in the first instance by a show of hands unless a poll is demanded or if it is a question which under the Trust Deed requires an Extraordinary Resolution, in which case a poll shall

be taken. On a show of hands, every Timeshare Member who is present in person or by proxy shall have one vote regardless of the number of memberships held and/or represented by the Timeshare Member.

- (f) A poll may be demanded before or immediately after any question is put to a show of hands.
- (g) A poll may be demanded by the chairman of the Meeting, the Trustee, the Operator or by the Timeshare Members holding (or representing by proxy) between them not less than one tenth (1/10) of the total number of Timeshare Memberships issued by the Operator then. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or less shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
- (h) If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded.
- (i) A poll demanded on the election of the chairman or on a question of adjournment of the Meeting shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such time and place as the chairman directs. No notice need to be given of a poll not taken immediately. A demand for a poll may be withdrawn at any time.
- (j) Subject to the aforesaid, the demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business other than the question on which the poll has been demanded.
- (k) Upon a poll, every Timeshare Member present in person or by proxy shall have one vote for every Timeshare Membership held by him.

#### 11.7 Proxy

- (a) Any Timeshare Member may appoint a proxy to attend, speak and vote on the Timeshare Member's behalf. A proxy must be a Timeshare Member. In the case of corporate Timeshare Members, the nominee of the corporate Timeshare Member may vote either personally or by proxy.
- (b) Every instrument of proxy whether for a specific meeting or otherwise shall be as nearly as circumstances admit be in the following form or in such other form as the Trustee may agree with the Operator:-

I/We ..... being a Timeshare Member of ..... hereby appoint ..... or failing which, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the meeting of the Timeshare Members to be held at .....on .... or on any adjournment thereof.

.....  
Signature of Timeshare Member

- (c) The instrument appointing a proxy shall be duly stamped (if required) and deposited at the office of the Operator not less than forty eight hours before the time of holding the meeting or adjourned meeting as the case may be at which the person named in such instrument proposes to vote. No instrument appointing a proxy shall be valid after six (6) months from its date.
- (d) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the power of attorney or other authority under which the proxy was signed or the sale of the Timeshare Membership in respect of which the proxy was given provided that no intimation in writing of such death, insanity, revocation or sale shall have been received at the place so appointed for the deposit of proxy forms or if no such place is appointed at the business office of the Operator before the commencement of the Meetings or adjourned Meetings at which the proxy is used.

#### 11.8 Resolutions and Decisions

- (a) Any resolution passed at a Meeting shall be binding upon all Timeshare Members whether present or not present at the Meeting and each of the Timeshare Members and the Trustee and the Operator shall subject to the provisions relating to indemnity in the Trust Deed contained be bound to give effect thereto accordingly.
- (b) The Trustee will accept and where appropriate implement all decisions relating to the Trust Deed made by the Timeshare Members at the Meetings.
- (c) The Trustee shall be entitled to reply on and accept as valid:-
  - (i) the decision or resolution adopted at the Meetings which shall be certified by the secretary and chairman of the Meetings at which such decision or resolution was adopted; and
  - (ii) without prejudice to the generality of the above the Trustee shall not be concerned to inquire or satisfy itself in any way as to the election of the Liaison Committee members or calling of the Meetings or the procedure adopted at the Meetings.

**\*\*\* THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK \*\*\***

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





## ACCOUNTANTS' REPORT

(Prepared for the inclusion in this Prospectus)

Date: 28th April 2017

### The Board of Directors

Iconic Vacation Club Berhad  
4th Floor, Wisma CNI,  
No. 2, Jalan U1/17, Seksyen U1,  
Hicom Glenmarie Industrial Park,  
40000 Shah Alam,  
Selangor Darul Ehsan.

Dear Sirs,

We are pleased to submit this Report for inclusion in the Prospectus to be dated 11th May 2017 in connection with the offer for sale of the timeshare membership scheme known as “Iconic Vacation Club” in the Statement to be issued under Section 28 of the Interest Schemes Act, 2016 by Iconic Vacation Club Berhad (“the Company”).

### 1. GENERAL INFORMATION

The Iconic Vacation Club is a right to use and occupy (subject to availability and on a “first-come, first-serve” basis) the Timeshare Properties for a period of seven (7) nights every year (hereinafter called “the Entitlement Nights”).

As at the date of this Prospectus, the Company is offering five (5) categories of Iconic Vacation Club Timeshare Memberships, which are namely Gold membership, Platinum 10-year membership, Platinum 20-year membership, Royale 10-year membership and Royale 20-year membership.

At the date of this report, the Company is offering to the public Iconic Vacation Club schemes with the following revised prices:

Types of membership	Purchase price *
The Gold Membership	RM40,000.00
The Platinum 10-Year Membership	RM40,000.00
The Platinum 20-Year Membership	RM60,000.00

\* Purchase prices are excluding Goods and Services Tax

## 1. GENERAL INFORMATION (CONT'D)

At the date of this report, the Company is offering to the public Iconic Vacation Club schemes with the following revised prices: (cont'd)

<b>Types of membership</b>	<b>Purchase price *</b>
The Royale 10-Year Membership	RM98,000.00
The Royale 20-Year Membership	RM138,000.00

\* Purchase prices are excluding Goods and Services Tax

The Company reserves the right, as it deems fit, to determine the purchase price payable for the Iconic Vacation Club schemes for subsequent sales after the initial launch, taking into consideration, amongst other factors, market forces.

Save for the sale of Timeshare Membership Scheme described above, there is no other undertaking by the Company since the date of the last Accountants' Report.

## 2. INCORPORATION AND CHANGE OF NAME

The Company was incorporated in Malaysia under the Companies Act, 1965 on 25 February 2010 as a public limited liability company under the name of Iconic Vacation Club Berhad.

## 3. PRINCIPAL ACTIVITIES

The Company is principally engaged in operation and management of a timeshare membership and vacation club.

There have been no significant changes in the nature of these activities during the financial year.

## 4. SHARE CAPITAL

### 4.1 Authorised share capital

During the financial year, the authorised share capital of the Company was increased from 5,000,000 to 10,000,000 ordinary shares of RM1.00 each and 10,000,000 new convertible and redeemable preference shares of RM1.00 each.

At the end of the financial year under review, the Company's authorised share capital was RM20,000,000 comprising 10,000,000 ordinary shares of RM1.00 each and 10,000,000 convertible and redeemable preference shares of RM1.00 each.

**4. SHARE CAPITAL (CONT'D)****4.2 Issued and fully paid-up share capital**

During the financial year, 7,000,000 ordinary shares of RM1.00 each and 10,000,000 new convertible and redeemable preference shares of RM1.00 each were issued by the Company.

As at the end of the financial year, the Company's issued and fully paid up share capital was RM20,000,000 comprising 10,000,000 ordinary shares of RM1.00 each and 10,000,000 convertible and redeemable preference shares of RM1.00 each.

**5. AUDITORS' REPORT**

Messrs Russ Ooi & Associates were appointed as auditors of the Company for the year under review and have reported on the financial statements of the Company for the year ended 31 December 2016 with an emphasis of matter in respect of the Company's capital deficiency arising from losses sustained for the year.

**6. DIVIDEND AND DISTRIBUTION OF INCOME**

No dividend has been paid or declared by the Company since the end of the previous financial year.

There will be no distribution to the Timeshare Members of any income or profits derived from the Timeshare Membership Scheme and/or the Holidays Resorts and its operations.

**7. SUMMARISED INCOME STATEMENT**

				(restated)		(restated)
	Note	2016	2015	2014	2013	2012
		<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Revenue	7.1	<b>9,170,039</b>	10,671,566	9,536,525	8,505,043	5,938,257
Loss before depreciation		<b>(5,336,409)</b>	(4,851,376)	(3,992,921)	(3,642,924)	(1,471,425)
Depreciation of property, plant and equipment	9.3	<b>(368,477)</b>	(321,082)	(248,838)	(251,458)	(61,437)
Loss before taxation		<b>(5,704,886)</b>	(5,172,458)	(4,241,759)	(3,894,382)	(1,532,862)
Income tax expense	7.2	-	-	-	-	-
Net loss for the year		<b>(5,704,886)</b>	(5,172,458)	(4,241,759)	(3,894,382)	(1,532,862)

**7. SUMMARISED INCOME STATEMENT (CONT'D)****7.1 Revenue**

	<b>2016</b>	2015	(restated) 2014	2013	(restated) 2012
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Membership fees recognised	<b>8,562,616</b>	10,242,019	9,214,428	8,187,796	5,382,290
Group and corporate packages	-	-	-	3,158	249,046
Other packages	<b>64,728</b>	73,117	81,007	156,689	268,161
Annual maintenance fee	<b>542,695</b>	356,430	241,090	157,400	38,760
	<b>9,170,039</b>	10,671,566	9,536,525	8,505,043	5,938,257

**7.2 Income tax expense**

	<b>2016</b>	2015	(restated) 2014	2013	(restated) 2012
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Income tax - current year	-	-	-	-	-
Reversal of deferred tax assets	-	-	-	-	-
	-	-	-	-	-

**7. SUMMARISED INCOME STATEMENT (CONT'D)****7.2 Income tax expense (cont'd)**

A reconciliation of the statutory tax rate to the effective tax rate applicable to the (loss) / profit before taxation is as follows:-

	<b>2016</b>	2015	(restated) 2014	2013	(restated) 2012
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Loss before taxation	<b>(5,704,886)</b>	(5,172,458)	(4,241,759)	(3,894,382)	(1,532,862)
Tax at 24% corporate tax rate	<b>(1,369,173)</b>	(1,293,115)	(1,060,440)	(973,596)	(383,216)
Tax effects of:					
Non-deductible expenses	<b>396,971</b>	131,720	97,923	98,257	52,095
Non-assessable income	-	-	(922)	(5,787)	-
Deductible temporary differences	<b>972,202</b>	1,161,395	963,439	881,126	331,121
Utilisation of deductible temporary differences previously not recognised	-	-	-	-	-
Reversal of deferred tax asset previously recognised	-	-	-	-	-
	<b>-</b>	-	-	-	-

The potential tax benefits arising from deferred tax assets not recognised in the financial statements are as follows:

	<b>2016</b>	2015	(restated) 2014	2013	(restated) 2012
	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>	<i>RM</i>
Unabsorbed tax losses	<b>17,800,000</b>	13,570,000	8,850,000	4,920,000	1,400,000
Unutilised capital allowances	<b>300,000</b>	250,000	190,000	140,000	60,000
	<b>18,100,000</b>	13,820,000	9,040,000	5,060,000	1,460,000

Subject to confirmation by the Inland Revenue Board, the unabsorbed tax losses and unutilised capital allowances are available indefinitely for offset against future taxable profits of the Company. Deferred tax assets have not been recognised in respect of this items because it is uncertain that future taxable profits will be available against which the Company can utilise the benefits.

**8. STATEMENT OF ASSETS AND LIABILITIES**

	Note	2016 <i>RM</i>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9.3	30,227,766
<b>Current assets</b>		
Trade receivables	9.4	1,253,923
Other receivables, deposits and prepayments	9.5	6,649,005
Other investment	9.6	16,225,034
Cash and bank balances		67,132
		<u>24,195,094</u>
<b>TOTAL ASSETS</b>		<u>54,422,860</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders</b>		
Share capital	9.7	20,000,000
Accumulated losses		(20,628,355)
<b>Total equity</b>		<u>(628,355)</u>
<b>Current liabilities</b>		
Trade payables	9.8	681,715
Other payables and accruals	9.9	2,388,988
Deposits received		522,742
Amount due to holding company	9.10	9,918,399
Amount due to a related company	9.11	8,000,000
Amount due to a related party	9.12	7,979,973
Loan and borrowings	9.13	592,463
		<u>30,084,280</u>
<b>Non-current liabilities</b>		
Loan and borrowings	9.13	24,966,935
		<u>24,966,935</u>
<b>Total liabilities</b>		55,051,215
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>54,422,860</u>

The notes set out on pages 37 to 59 form an integral part of, and should be read in conjunction with the above Statement of Assets and Liabilities.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016

### 9.1 Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Suite 816, 8th Floor, Sun Complex, Jalan Bukit Bintang, 55100 Kuala Lumpur.

The principal place of business is located at 4th Floor, Wisma CNI, No. 2, Jalan U1/17, Seksyen U1, No. 2, Jalan U1/17, Seksyen U1, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor Darul Ehsan.

The holding company is Sepang Goldcoast Sdn Bhd, a company incorporated in Malaysia.

The ultimate holding company is Sepang Bay Sdn Bhd, a company incorporated in Malaysia.

The Company is principally engaged in operation and management of a timeshare membership scheme and vacation club.

There were no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by Board of Directors in accordance with the resolution of the directors on 15 April 2016.

### 9.2 Significant Accounting Policies

#### 9.2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRS) and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

#### Standards issued but not yet effective

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Company.

*Effective for financial periods beginning on or after 1 January 2017:*

Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 107	Statement of Cash Flows - Disclosure Initiative

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.1 Basis of preparation (cont'd)

##### Standards issued but not yet effective (cont'd)

*Effective for financial periods beginning on or after 1 January 2017:(cont'd)*

Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
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*Effective for financial periods beginning on or after 1 January 2018:*

MFRS 9	Financial Instruments (2014)
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 2	Share-based Payment - Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Insurance Contracts - Applying MFRS 9 Financial Instruments with MFRS 4
Amendments to MFRS 15	Revenue from Contracts with Customers - Clarifications to MFRS 15
Amendments to MFRS 128	Investment in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendments to MFRS 140	Investment Property - Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

*Effective for financial periods beginning on or after 1 January 2019:*

MFRS 16	Leases
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*Effective for a date yet to be confirmed:*

Amendments to MFRS 10	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 128	Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture



## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.1 Basis of preparation (cont'd)

##### Standards issued but not yet effective (cont'd)

The Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Company upon their initial application, except as described below:

##### (a) MFRS 9, Financial Instruments

In November 2014, MASB issued the final version of MFRS 9: Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The standard introduces new requirements for classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The Company is currently assessing the financial impact of adopting MFRS 9.

##### (b) MFRS 15, Revenue from Contracts with Customers

MFRS 15 establishes principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with customers. The core principle of MFRS 15 is that an entity recognises revenue in a manner which reflects the consideration an entity expects to be entitled in exchange for goods and services.

The Company is currently assessing the financial impact of adopting MFRS 15.

##### (c) MFRS 16, Leases

In April 2016, MASB issued MFRS 16: Leases which set out principles for the recognition, measurement, presentation and disclosure of leases, and replaces the existing MFRS 117: Leases. The standard introduces a single accounting model for a lessee and eliminates the distinction between finance lease and operating lease. Lessee is now required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets is of low value. Upon adoption of MFRS 16, the Company is required to account for major part of their operating leases in the statement of financial position by recognising the 'right-of-use' assets and the lease liability, thus increasing the assets and liabilities of the Company.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.1 Basis of preparation (cont'd)

##### Standards issued but not yet effective (cont'd)

##### (c) MFRS 16, Leases (cont'd)

The Company is currently assessing the financial impact of adopting MFRS 16.

The initial application of other standards, amendments and interpretations is not expected to have any material financial impacts to the current and prior periods financial statements upon their first adoption.

##### Functional and presentation currency

The financial statements of the Company are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

#### 9.2.2 Fundamental accounting concept

The financial statements have been prepared on a going concern basis which assumes that adequate funds will be obtained by the Company to meet its liabilities as and when they fall due and on the expectations of future profitability. The ability of the Company to continue as a going concern is dependent on the financial support from the holding company.

#### 9.2.3 Financial risk management

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's business whilst managing its interest rate, credit, liquidity and cash flow risks. The Company operates within defined guidelines that are approved by the Board and the policies in respect of the major areas of treasury activity are as follows:

##### Interest rate risk

The Company's exposure to interest rate risk arises from the Company's borrowings and deposits.

The Company's borrowings are based on fixed rates. Investments in financial assets are short term in nature and are placed as short term deposits with licensed financial institutions.

Market interest rates movements are monitored with a view to ensure that the most competitive rates are secured and where appropriate borrowing arrangements and interest bearing instruments are restructured or reduced.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.3 Financial risk management (cont'd)

##### Credit risk

The Company's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from trade receivables. The Company manages its exposure to credit risk by the application of monitoring procedures on an ongoing basis.

The Company does not have any significant exposure to any individual customers or counterparty as at the end of the reporting period other than those disclosed in the notes to the financial statements.

##### Liquidity and cash flow risks

The Company's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

Liquidity and cash flow risks are addressed by annual and continuous review and forward planning of cash flow in relation to business plans to ensure a balanced and prudent portfolio of cash and other liquid assets and credit facilities are maintained. Borrowings are arranged so as not to go beyond the Company's ability to repay or refinance.

#### 9.2.4 Summary of significant accounting policies

##### Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is calculated to write off the cost of the assets on a straight line basis over the expected useful lives of the assets.

The principal annual rates applied are as follows :-

Leasehold properties	Amortised over the remaining lease period
Furniture and fittings	10%
Office equipment	10%
Computer equipment	20%
Motor vehicles	20%
Air conditioners	10%

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Property, plant and equipment (cont'd)

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

##### Impairment of non-financial assets

The Company assesses at end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGU)).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Company determines the classification of their financial assets at initial recognition, and the categories include loans and receivables and available-for-sale financial assets.

##### (a) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

##### (b) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value.

Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Company's right to receive payment is established.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Financial assets (cont'd)

##### (b) Available-for-sale financial assets (cont'd)

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commit to purchase or sell the asset.

##### Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

##### (a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Impairment of financial assets (cont'd)

##### (a) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

##### (b) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Provision for liabilities

Provision for liabilities is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

##### Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

##### (a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Company has not designated any financial liabilities as at fair value through profit or loss.



## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Financial liabilities (cont'd)

##### (b) Other financial liabilities

The Company's other financial liabilities include other payables and loan borrowings. Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loan borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Loan borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

##### Compound financial instruments

A compound financial instrument is a non-derivative financial instrument that contains both a liability and an equity component.

Compound financial instruments issued by the Company comprise convertible preference shares that can be converted to share capital at the option of the holder, when the number of shares to be issued does not vary with changes in their fair value.

The proceeds are first allocated to the liability component, determined based on the fair value of a similar liability that does not have a conversion feature or similar associated equity component. The residual amount is allocated as the equity component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Compound financial instruments (cont'd)

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest and losses and gains relating to the financial liability are recognised in profit or loss. On conversion, the financial liability is reclassified to equity; no gain or loss is recognised on conversion.

##### Borrowing costs

Borrowing costs incurred that are directly attributable to the construction of property, plant and equipment are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for their intended use.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

##### Employee benefits

###### (a) Short term employee benefits

Wages, salaries, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

###### (b) Defined contribution plan

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (EPF). Such contributions are recognised as an expense in the profit or loss in the period to which the related service is performed.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

##### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

##### (a) Timeshare membership fees

Revenue from timeshare membership fees is recognised as income on a receivable basis net of discounts upon signing of the timeshare membership agreements.

##### (b) Annual maintenance fees

Annual maintenance fees are recognised on an accrual basis over the membership period based on fees chargeable to members upon the anniversary of the membership agreements. Annual maintenance fees received in advance are only recognised as income when they are due.

##### Taxation

The taxation charge for the financial year, if any, comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantially enacted at end of the reporting period.

Deferred tax will be provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.4 Summary of significant accounting policies (cont'd)

##### Taxation (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

##### Leases

###### (a) Finance leases

A lease is recognised as a finance lease if it transfers substantially to the Company the risks and rewards incidental to ownership. Upon initial recognition the leases assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. Finance charges are recognised as expenses in the profit or loss.

###### (b) Operating leases

Leases where the lessor effectively retains substantially all the risks and rewards of the ownership of the leased item are classified as operating lease. Operating lease payments are recognised as an expenses on a straight-line basis over the term of the relevant lease.

##### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash and bank balances, deposits with licensed financial institutions, bank overdrafts and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.2 Significant Accounting Policies (cont'd)

#### 9.2.5 Critical judgements and key estimation uncertainty

The preparation of financial statements requires the management to exercise judgement and make estimates which have a significant impact on the carrying amounts of the Company's assets, liabilities, income and expenditure. The following presents a summary of the critical judgements and key estimation uncertainty.

##### Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

##### Impairment of property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed at end of each reporting period to determine whether there is any indication of impairment in accordance with the accounting policy. When the recoverable amounts of property, plant and equipment is determined based on the value-in-use, the management is required to make an estimate of expected future cash flows from the assets and also apply a suitable discount rate in order to determine the present value of those cash flows. These calculations require the use of judgement and estimates.

##### Impairment of loans and receivables

The Company assesses at end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

## 9.3 Property, plant and equipment

	Leasehold properties RM	Furniture and fittings RM	Office equipment RM	Computer equipment RM	Motor vehicles RM	Air conditioners RM	Total RM
<b>Cost</b>							
At 1 January 2016	24,429,300	132,728	100,496	141,063	83,000	13,450	24,900,037
Additions during the year	6,533,800	960	-	-	61,000	-	6,595,760
Disposals / written off	-	-	-	-	(38,000)	-	(38,000)
At 31 December 2016	30,963,100	133,688	100,496	141,063	106,000	13,450	31,457,797
<b>Accumulated depreciation</b>							
At 1 January 2016	641,294	48,203	29,566	91,513	83,000	5,978	899,554
Charge for the year	310,641	13,354	10,050	16,154	16,933	1,345	368,477
Written back on disposals	-	-	-	-	(38,000)	-	(38,000)
At 31 December 2016	951,935	61,557	39,616	107,667	61,933	7,323	1,230,031
Depreciation for year ended 31 December 2015	258,739	13,175	10,025	21,198	16,600	1,345	321,082
<b>Carrying amount</b>							
At 31 December 2016	<b>30,011,165</b>	<b>72,131</b>	<b>60,880</b>	<b>33,396</b>	<b>44,067</b>	<b>6,127</b>	<b>30,227,766</b>
At 31 December 2015	23,788,006	84,525	70,930	49,550	-	7,472	24,000,483

The leasehold properties were purchased from the holding company and the lease period expires on 1st May 2107.

**9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)****9.3 Property, plant and equipment (cont'd)**

During the financial year, the Company purchased property, plant and equipment totaling RM6,595,760 by cash payment.

**9.4 Trade receivables**

	<b>2016</b>
	<b>RM</b>
Trade receivables	<b><u>1,253,923</u></b>

The Company's normal trade credit terms period is 6 months.

**9.5 Other receivables, deposits and prepayments**

	<b>2016</b>
	<b>RM</b>
Other receivables	<b>396,340</b>
Deposits	<b>329,052</b>
Prepayments	<b>5,923,613</b>
	<b><u>6,649,005</u></b>

Included in prepayments is an amount paid to a related party amounting to RM5,889,163 for advance lease rental.

**9.6 Other investment**

Other investment comprises investment in unit trust which has been pledged to a financial institution for a bank loan made available to the Company.

**9.7 Share capital**

	<b>2016</b>
	<b>RM</b>
<i>Authorised :</i>	
Ordinary shares of RM1 each	
At the beginning of the year	<b>5,000,000</b>
Created during the financial year	<b>5,000,000</b>
At the end of the year	<b><u>10,000,000</u></b>

**9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)****9.7 Share capital (cont'd)**

	2016 <i>RM</i>
<i>Authorised : (cont'd)</i>	
Convertible and redeemable preference shares of RM1 each	
At the beginning of the year	-
Created during the financial year	<b>10,000,000</b>
At the end of the year	<b>10,000,000</b>
	<b>20,000,000</b>
<i>Issued and fully paid :</i>	
Ordinary shares of RM1 each	
At the beginning of the year	<b>3,000,000</b>
Issuance of shares during the financial year	<b>7,000,000</b>
At the end of the year	<b>10,000,000</b>
Convertible and redeemable preference shares of RM1 each	
At the beginning of the year	-
Issuance of shares during the financial year	<b>10,000,000</b>
At the end of the year	<b>10,000,000</b>
	<b>20,000,000</b>

Convertible and redeemable preference shares

The salient features of the convertible and redeemable preference shares are as follows:

- (a) They have no voting rights in matters relating to the normal course of business.
- (b) In the event of winding-up of the Company they shall have the right to repayment of capital.
- (c) The holders are entitled to receive dividends in accordance to the Preference Share Subscription Agreement.
- (d) They are redeemable at the option of the issuer at RM1 each.

**9.8 Trade payables**

The Company's normal trade credit term ranges from COD to 60 days.

Included in trade payables are amounts due to holding company and a related company amounting to RM135,484 and RM444,559 respectively.



**9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)****9.9 Other payables and accruals**

	2016 <i>RM</i>
Other payables	50,777
Accruals	2,338,211
	<u>2,388,988</u>

**9.10 Amount due to holding company**

The holding company is Sepang Goldcoast Sdn Bhd, a company incorporated in Malaysia.

The amount due to the holding company is unsecured, non-interest bearing and has no fixed terms of repayment.

**9.11 Amount due to a related company**

The amount due to the related company is unsecured, non-interest bearing and has no fixed terms of repayment.

**9.12 Amount due to a related party**

The related party is a company which shares common Directors. The amount due to the related party is unsecured, non-interest bearing and has no fixed terms of repayment.

**9.13 Loan and borrowings**

	2016 <i>RM</i>
Current	
Unsecured borrowings	592,463
Non-current	
Bank loan	23,000,000
Unsecured borrowings	1,966,935
	<u>24,966,935</u>
Total loans and borrowings	<u>25,559,398</u>

**9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)****9.13 Loan and borrowings (cont'd)**

	<b>2016</b> <b>RM</b>
<hr/>	
<u>Unsecured borrowings</u>	
Unsecured borrowings are payable as follows:	
Minimum term loan payments:	
- not later than 1 year	692,080
- later than 1 year and not later than 5 years	2,076,240
- later 5 years	86,464
	2,854,784
Future term loan interest charges	(295,386)
	2,559,398
Present value of term loan liabilities:	
- not later than 1 year	592,463
- later than 1 year and not later than 5 years	1,881,027
- later 5 years	85,908
	1,966,935
	2,559,398

At the end of the reporting period, the weighted average effective interest rate for the loans was 4.5% (2015: 2.8%) per annum.

Unsecured borrowings are amounts due to related party Anggerik Anggun Aquaculture Sdn Bhd.

Bank loan

The bank loan is subject to interest at a rate of 11% per annum and repayable on 20 April 2021.

The bank loan is secured by way of :-

- (a) legal charge over 20 units of the Company's leasehold properties;
- (b) legal charge over 5 units of the holding company's leasehold properties;
- (c) assignment and charge over the Company's other investment;
- (d) assignment over the Company's timeshare membership fees;
- (e) joint and several guarantees by holding company and ultimate holding company.

**9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)****9.14 Loss per share**

The basic loss per ordinary share of RM0.57 (2015: RM1.72) is calculated based on the net loss of RM5,704,886 (2015: RM5,172,458) attributable to the owners of the Company over the 10,000,000 ordinary shares (2015: 3,000,000 ordinary shares) in issue during the financial year.

The basic loss per share of RM0.29 (2015: RM1.72) is calculated based on the net loss over the total share capital of the Company, including 10,000,000 convertible and redeemable preference shares issued during the financial year.

**9.15 Significant related party transactions**

The Company had the following transactions with related parties during the financial year:

	<b>2016</b>	2015	2014	(restated) 2013	(restated) 2012
	<b>RM</b>	RM	RM	RM	RM
Lease rental paid to holding company	<b>1,533,780</b>	1,378,161	1,013,700	542,287	920,500
Lease rental paid to related party	<b>368,073</b>	736,145	-	-	-
Purchases of services with related company	<b>2,045,122</b>	2,044,472	2,162,549	2,006,388	1,643,859
Purchase of asset from a related company	<b>33,000</b>	-	-	-	-

The Directors are of the opinion that the above have been transacted in the normal course of business and have been established on negotiated and mutually agreed terms.

**9.16 Capital management**

The Company's primary objective in managing its capital is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. There were no changes in the Company's approach to capital management during the financial year.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, loans and borrowings, other payables and accruals and deposits received, less cash and bank balances. Capital includes equity attributable to the owners less accumulated losses.

**9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)****9.16 Capital management (cont'd)**

The gearing ratio of the Company as at the end of the reporting period is as follows:

	<b>2016</b>
	<b>RM</b>
Loan and borrowings (Note 9.12)	<b>25,559,398</b>
Other payables and accruals (Note 9.8)	<b>2,388,988</b>
Deposits received	<b>522,742</b>
Less: Cash and bank balances	<b>(67,132)</b>
Net debt	<b><u>28,403,996</u></b>
Share capital (Note 9.6)	<b>20,000,000</b>
Accumulated losses	<b>(20,628,355)</b>
Total capital	<b><u>(628,355)</u></b>
Capital and net debt	<b>27,775,641</b>
Gearing ratio	<b><u>102%</u></b>

**9.17 Fair value of financial instruments**

The carrying amounts of financial assets and financial liabilities reported in the financial statements approximated their fair values.

The methods and assumptions used to estimate the fair values of the following classes of financial instruments are as follows :-

**(a) Cash and Cash Equivalents and Trade and Other Receivables / Payables**

The carrying amounts approximated their values due to the relatively short term maturity of these financial instruments.

**(b) Borrowings**

The fair value of borrowings is estimated by discounting the expected future cash flows using the current interest rates of comparable borrowing arrangements.

## 9. NOTES TO THE STATEMENT OF ASSETS AND LIABILITIES 31 DECEMBER 2016 (CONT'D)

### 9.17 Fair value of financial instruments (cont'd)

#### *Fair Value Hierarchy*

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.


- (i) Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3 Fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company does not have any financial instruments carried at fair value nor any instruments classified as Level 1, Level 2 and Level 3 as at the end of the reporting period.

## 10 AUDITED FINANCIAL STATEMENTS

No audited financial statements have been prepared in respect of any period subsequent to 31 December 2016.

  
RUSS OOI & ASSOCIATES  
No. A.F. 0152  
*Chartered Accountants*

  
OOI JI HUAT  
No. 1073 / 05 / 17 (J)  
*Chartered Accountant*

Kuala Lumpur,  
Date: 28th April 2017

### **13. FURTHER STATUTORY AND OTHER GENERAL INFORMATION**

In accordance with the provisions of the Interest Schemes Act 2016, the following additional information is included in this Prospectus and forms part of the Prospectus.

#### **13.1 Retirement, Removal and Replacement of the Operator**

13.1.1 The Operator is the issuer of the Timeshare Memberships and hereby declares that the Operator has no intention to retire from the responsibility of operating and managing the Scheme as the Operator and Manager and as such is not subject to retirement, removal or replacement by the Trustee or Timeshare Members. However, should the Operator desire to retire, it may do so subject to the Operator obtaining the prior approval of the Registrar of Companies and appointing another company prior to the date of retirement.

13.1.2 If the Operator shall go into liquidation (except for the purpose of amalgamation or reconstruction or some similar purposes) or cease to carry on business or a receiver of its undertakings is appointed then the Trustee may, subject to the Trustee having obtained all the necessary approvals from the relevant authorities, remove the Operator and appoint any new company or person to be the operator.

#### **13.2 Appointment, Retirement, Removal and Replacement of Auditors of the Accountants' Report, Trust Account and Sinking Fund**

The Auditors for the Accountants' Report is Messrs. Russ Ooi & Associates (AF 0152) of No. 1-3B, Jalan Solaris, Solaris Mont' Kiara, 50480 Kuala Lumpur.

The Auditor for the Trust Account is Kumpulan Naga, Suite 1, 1<sup>st</sup> Floor, Wisma Leopad, No. 5, Jalan Tun Sambanthan, 50470 Kuala Lumpur.

The Auditors shall hold office until such time as they may voluntarily retire by notice in writing to the Trustee or until such time their appointment is terminated by the Trustee, as the Trustee deem appropriate

#### **13.3 Winding Up and/or Termination of Iconic Vacation Club**

13.3.1 Notwithstanding anything to the contrary contained in the Trust Deed and subject always to Clause 13.3.2 below, the Iconic Vacation Club shall continue to subsist for so long as there shall be a valid Timeshare Membership in existence or for such other time as shall be agreed between the Trustee and the Operator or unless earlier determined by the Operator if it appears to be in the interest of the Timeshare Members during such period as is or such periods as are agreed upon mutually between the Trustee, the Operator and the Members, whereby the Trustee, the Operator and the Members may execute a deed of termination to terminate this Deed and the Iconic Vacation Club.

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

- (i) send by post notice of the proposed meeting at least twenty-one (21) days before the proposed meeting, to each Timeshare Member at his/her last known address in the Register of Members; and
- (ii) publish, at least twenty-one (21) days before the proposed meeting, an advertisement giving notice of the meeting in a newspaper circulating generally in Malaysia;

If at such a duly convened meeting of the Timeshare Members a resolution is passed by a majority of not less than seventy-five per centum (75%) of the votes of those Timeshare Members present and voting either in person or by proxy at such meeting that the Iconic Vacation Club be wound up, then the Trustee shall apply to the Court for an order confirming the resolution.

On an application by the Trustee the Court may, if it is satisfied that it is in the interest of the Timeshare Members, confirm the resolution and may make such orders as it thinks necessary or expedient for the effective winding up of the Iconic Vacation Club.

13.3.3 Upon the winding up/termination of the Iconic Vacation Club, the Trustee shall realise the Trust Account. The Trustee shall be entitled to retain out of any moneys coming into its hands under the provision of the Trust Deed in respect of the Trust Account and to pay thereat or make full provision for, all disbursements, outgoings, charges, expenses, liabilities (whether actual or contingent), claim and demands incurred or made or apprehended by the Trustee in connection with the Trust Deed including the fees of any agents, solicitors, bankers, accountants or other persons whom the Trustee may employ in connection with the winding up of the Iconic Vacation Club.

13.3.4 The Trustee shall upon completion of the realisation of the Trust Account, (subject to Clause 13.3.3 above) if there is any balance thereof, distribute, unless otherwise provided herein, such balance thereof together with all other cash forming part of the Sinking Fund amongst the Timeshare Members in proportion to the Purchase Price (if any) paid by the Timeshare Members.

## **14. SALIENT PROVISIONS OF THE TRUST DEED**

### **14.1 Trust Account**

- i) All monies or any part thereof collected by the Operator and/or the Manager from the Timeshare Members subsequent to the date of the Trust Deed shall be paid into an interest bearing account in the name of the Trustee for the Operator, designated as “the Trust Account” within thirty (30) days from the date of collection of the monies or such part thereof from the Timeshare Member or his financier. All interest earned thereon shall be accumulated to the principal until release thereof by the Trustee to the Operator as hereinafter provided.
- ii) As at the date of the Trust Deed the development of the Holiday Resorts are fully completed. The Trustee shall at the written request of the Operator release to the Operator the monies received by the Trustee from the Operator which was deposited in the Trust

Account together with any interest accrued thereon upon the expiry of the Cooling-Off Period and confirmation by the Operator of its acceptance of the application by the applicant and thereafter the Operator shall not be liable to account for the same to the Trustee.

- iii) In respect of such other monies to which the Operator is legally and beneficially entitled, the Trustee shall within seven (7) days of such request for the same by the Operator, remit the said monies to the Operator.
- iv) Any monies deposited into the Trust Account by the Operator prior to the expiry of the Cooling-Off Period shall be held in trust by the Trustee for the applicant until the expiry of the Cooling-Off Period. In the event that any application is withdrawn by an applicant during the Cooling-Off Period, the Trustee shall release such monies, free of interest, to the applicant.
- v) In the event that the Trustee invests monies from the Trust Account in the manner provided in Clause 9.3(s) above or from any other forms of investment, the interest and/or income arising from the investment shall accrue in favour of the Operator and shall be released from time to time by the Trustee to the Operator at the request of the Operator.
- vi) It is hereby acknowledged and agreed between the Operator and the Trustee that unless exempted by the Minister no moneys available for investment under the Trust Deed will be invested in or lent to the Operator or to the Trustee or representative or to any company (other than a prescribed corporation within the meaning of Section 38(6) of the Companies Act 1965) which is by virtue of Section 6 deemed to be related to the Operator or the Trustee or the representative.

#### **14.2. Sinking Fund**

- i) The Trustee shall establish a sinking fund which is established for the purpose of covering the costs of periodic major repairs or replacement to the accommodation units at the Holiday Resorts and/or the Facilities therein. For the avoidance of doubt, major repairs or replacement of the accommodation units at the Holiday Resorts and/or the Facilities therein shall be such repairs or replacement which exceeds Ringgit Malaysia Ten Thousand (RM10,000.00) only.
- ii) The Operator shall ensure that ten per cent (10%) of the total yearly expense or fees paid by the Timeshare Members, which in this case is the Annual Maintenance Fee as defined in the Membership Agreement, shall be remitted to a separate interest bearing account to be identified as the "Sinking Fund" within thirty (30) days after the receipt of the money by the Operator.
- iii) At the written request of the Operator, the Trustee shall utilise the monies held in the Sinking Fund to cover the costs of major repairs or replacement of the accommodation units at the Holiday Resorts and/or the Facilities therein.
- iv) The Trustee shall be entitled to invest the monies from the Sinking Fund in the manner provided in Clause 9.3(s) above and in suitably liquid and secure investments authorised by law and approved by the Operator and all interest and/or income generated by such



investment shall be accumulated to the principal and accrue to the Sinking Fund. The Sinking Fund and all interest and/or income generated by investment of the Sinking Fund is to be utilised in whole or in part for the purposes stipulated under this Clause 14.2.

### 14.3 Operator's Covenants

- i) The Operator hereby covenants that it shall use its best endeavours to carry on and conduct its business in a proper and efficient manner and to ensure that Iconic Vacation Club is carried on and conducted in a proper and efficient manner.
- ii) The Operator further covenants as follows:
  - (a) the Operator is public limited company and is empowered by its memorandum and articles of association to carry out the business of running Iconic Vacation Club and offering Timeshare Memberships to the public in respect of Iconic Vacation Club;
  - (b) the Operator and/or Manager (if applicable) and its officers are persons who have the requisite experience and/or expertise in managing public companies or in related businesses;
  - (c) the Operator is a company duly incorporated under the laws of Malaysia;
  - (d) each of the Holiday Resorts stated in the **Schedule 3** of the Trust Deed are completed developments and can be immediately utilised together with the Facilities;
  - (e) the contractual documents to be executed between the Operator and the Timeshare Member is the Membership Agreement and that in each case, there is a "cooling-off period" of at least ten (10) days commencing from the date that the applicant submits the Application Form for a Timeshare Membership to the Operator and/or Manager;
  - (f) the Operator will make available to the Trustee or to any approved auditor appointed by the Trustee the books of the Operator as if the Trustee or representative were directors of the Operator. The books of the operator are kept at the Operator's place of business at 4<sup>th</sup> Floor, Wisma CNI, No. 2, Jalan U1/17, Seksyen U1, Hicom Glenmarie Industrial Park, 40000 Shah Alam, Selangor;
  - (g) the Operator will give to the Trustee or representative or its auditor, to the same extent as if the Trustee or representative were a director of the company, such information as it requires with respect to all matters relating to the operation and management of Iconic Vacation Club or otherwise relating to the affairs thereto;
  - (h) the Operator will not, without the approval of the Trustee or the Trustee's representative, publish or cause to be published any advertisement circular or other document containing any statement with respect to the sale price of the

Timeshare Memberships to which the Trust Deed relates or any invitation to purchase the Timeshare Memberships;

- (i) the Operator shall ensure that all its sales personnel and/or Marketing Agent(s) have undergone training and that each of its sales personnel and/or Marketing Agent(s) are fit and proper persons to conduct sales for and on behalf of the Operator and also, be able to explain enquiries on all relevant aspects of the Iconic Vacation Club;
- (j) the Operator and the Trustee shall as from a day to be fixed by the Minister by notice published in the Gazette covenant that they will each respectively not exercise the right to vote in respect of any shares relating to the interest to which the Trust Deed relates held by the Operator or the Trustee, if any, as the case may be, at any election for directors of a corporation where shares are so held, without the consent of the majority of the holders of interests to which the Trust Deed relates present in person and voting given at a meeting of those holders summoned in the manner provided for in Clause 11 above for the purpose of authorising the exercise of the right at the next election;
- (k) the Operator shall ensure that it and/or the Marketing Agent(s), if any, shall have proper and adequate systems and equipment (including computer systems) to facilitate convenient transactions between the Timeshare Members and the Operator;
- (l) the Operator shall ensure that its personnel and/or Marketing Agent(s) shall be adequately trained to use and maintain computer systems in relation to the timeshare scheme carried out by the Operator;
- (m) the Operator shall make available documentary information concerning Iconic Vacation Club in ordinary language which will be sufficiently comprehensible in daily parlance for the information of the Timeshare Members;
- (n) the Operator shall ensure that it and/or its Marketing Agent(s) shall comply with guidelines drawn up for compliance by the relevant regulatory authority from time to time;
- (o) the Operator shall ensure and procure sufficient accommodation units to meet the needs of the Timeshare Members under Iconic Vacation Club;
- (p) the Operator shall not increase the Annual Maintenance Fee against the Timeshare Members more than once per annum, and Provided Always that in the event of any increase in the Annual Maintenance Fee, such increase shall not exceed five per centum (5%) of the Annual Maintenance Fee subsisting at that time unless approved by the Trustee and the Timeshare Members must be informed;
- (q) to ensure that at all times the duration of the lease in respect of any of leased premises (if applicable) or the remainder thereof shall be of such length as would entitle the Timeshare Members to the use of such leased premises for the entire

Term. In this regard the Operator may with the prior consent of the Trustee either extend such lease period or acquire or lease such further property or premises as may be necessary to meet its obligations aforesaid;

- (r) the Operator shall not sell nor permit the sale of the Timeshare Memberships in the event the remaining period of such lease is less than the Term unless the prior written approvals of the Trustee and the Registrar of Companies are obtained;
- (s) the Operator shall ensure that the Marketing Agent(s), if any, does not, without the prior written consent of the Operator, publish any advertisement, circular or other document containing any statement with respect to the Iconic Vacation Club;
- (t) the Operator shall ensure that it shall be responsible for the actions of the Marketing Agent(s) and/or agents which are carried out in the ordinary course of business in the promotion and sale of the Timeshare Memberships;
- (u) the Operator shall ensure that any representation made by the Marketing Agent(s) is correct and is in accordance with the Prospectus;
- (v) the Operator shall ensure that any advertisements relating to the sale of the Timeshare Memberships shall not in any manner whatsoever contain any untrue or false statements, information or description with the intent to misrepresent or mislead members of the public;
- (w) the Operator shall fulfil all promises or obligations which have been made to the applicants of the Timeshare Memberships, which are contained or published in any advertisement or any other document offering the Timeshare Memberships for sale;
- (x) the Operator shall ensure that a Chief Executive Officer or such person acting in a similar capacity with whatever designation called, who is familiar with the operation and responsibilities of the Iconic Vacation Club, be appointed with the prior approval of the Registrar of Companies, to personally look into and solve all complaints relating to the Iconic Vacation Club and its operations. Such person shall hold office until such time as he may voluntarily retire or resign by giving at least 3 months notice in writing to the Operator and the Operator shall, with the prior approval of the Registrar of Companies, appoint another person in his place. The Operator may, from time to time, if deemed appropriate and with the prior approval of the Registrar of Companies, remove such person and appoint another person in his place. In any such event, the Operator shall notify the Trustee accordingly;
- (y) unless otherwise allowed by the Registrar of Companies, the Operator shall ensure that a statement or prospectus pursuant to Section 28 of the Interest Schemes Act 2016 shall be registered with the Registrar of Companies no later than six (6) months from the date of the preceding statement or prospectus, or no later than such period as shall otherwise be approved by the Registrar of

Companies for the extension of the validity period of such statement or prospectus; and

- (z) it shall be responsible to ensure that the strata titles for the apartments in the *Travelers Studio*, *Canary 2-Bedroom Villa* and *Royale 3-Bedroom Villa* to be used in the Iconic Vacation Club will be registered in the name of the Operator upon issuance of the strata titles by the relevant authority in due course.

## **15. MISCELLANEOUS STATUTORY INFORMATION**

### **15.1 No Property Vested in the Trustee**

No property to which the Timeshare Membership relates is or will become vested in the Trustee. The Timeshare Membership confers on a Timeshare Member merely the non-exclusive right to use and enjoy the accommodations and facilities at the Holiday Resorts and is not an interest which relates to any property.

### **15.2 Investment Relating To Property**

The Timeshare Membership does not consist of rights or interests in or arising out of an investment relating to property that ordinarily depreciates in value through use or effluxion of time. As such no provision has been made or need to be made for the replacement of any such property. It is provided in the Trust Deed that the costs of major repairs or replacements to the accommodation units at the Holiday Resorts and/or the Facilities therein shall be met from the Sinking Fund set-up for such purpose.

### **15.3 No Provision for the Variation of Investments**

There is no investment made or property held in relation to the Timeshare Membership. As such no provision has been made or need to be made with regard to its variation.

### **15.4 No Obligation on Valuation of Property**

There is no investment made or property held in relation to the Timeshare Membership which requires valuation. As such, the Operator hereby declares that there is no obligation on the part of the Trustee with regard to valuation of the same.

### **15.5 Director's Interest**

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

### **15.6 Distribution of Income**

All proceeds to be derived by the Operator from the sale of the Timeshare Memberships and the operations of the Scheme shall belong to the Operator. There will not be any distribution to the Timeshare Members of any income or profits

derived from the Scheme and its operations and as such no conditions have been provided in the Trust Deed governing the distribution of income.

#### **15.7 Other Schemes**

Save for the Scheme herein, there is no other undertaking, scheme, enterprise or investment contract involving the issue of interests to the public undertaken by the Operator within the five years immediately preceding the date of this Statement.

#### **15.8 Repurchase of Timeshare Memberships**

At the request of the Timeshare Member, the Operator shall be obligated to repurchase the Timeshare Memberships pursuant to Item 1(h) (iv) of the Interest Schemes Act 2016 subject to the terms and conditions as stated in **Schedule 7** of the Trust Deed and Appendix III hereto.

### **16. DOCUMENTS FOR INSPECTION**

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

- a) Memorandum and Articles of Association of the Operator
- b) The Trust Deed
- c) The Membership Agreement
- d) The Rules
- e) The Register of Members
- f) The Accountants' Report
- g) The letters of consent
- h) Copies of the Lease for the Holiday Resorts.

### **17. CONSENTS**

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

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

## 18. DIRECTORS' RESPONSIBILITY STATEMENT

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

### THE DIRECTORS



.....  
**GAN CHOOI YANG**



.....  
**GAN CHOO ANN**



.....  
**ANG CHEE KIAN**

Dated: 28 APR 2017

#### Lodged by:

Messrs. C.K.Cheong & Seow  
Advocates & Solicitors  
No. 2A-2, Wangsa Biz Avenue  
Jalan Wangsa Niaga  
Off Jalan 34/26, Wangsa Maju  
53300 Kuala Lumpur  
Tel. No: 03-41491711 / 2711  
Fax No: 03-41493711

Lodged in the Office of the Registrar of Companies, Kuala Lumpur.

## APPENDIX I

### DESCRIPTION OF THE RESORT IN WHICH THE HOLIDAY RESORTS ARE SITUATED

#### A. AVANI SEPANG GOLDCOAST RESORT (formerly known as THE GOLDEN PALM TREE SEA VILLAS & SPA RESORT AND HOTEL)

*The Avani Sepang Goldcoast Resort (formerly known as The Golden Palm Tree Sea Villas & Spa Resort and Hotel)* is a 5-star exclusive luxurious resort, constructed in an aerial palm tree-shape design, with its sea villas stretching into the sheltered waters of the Straits of Malacca. It has a total of 392 sea villas.

##### *Location*

The resort is located in Kampung Bagan Lalang, Sungai Pelek, Selangor. It is a pleasant 25 minutes drive from Kuala Lumpur International Airport, 45 minutes to Putrajaya, and approximately 75 minutes to Kuala Lumpur.

##### *Room facilities*

Each villa is equipped with LCD TV, safe deposit box, coffee / tea making facility, high speed broadband internet access, satellite TV channels, private balcony, mini-bar, hair-dryer and choice of air-conditioning unit or ceiling fan.

##### *General facilities*

General facilities in the resort includes WI-FI internet access in all public areas, concierge, air ticket confirmation, airport transfer service, KL city shuttle service, laundry, 24-hour in-room dining, 24-hour security.

##### *Recreational facilities*

Recreational facilities in the resort includes landscaped beach garden, non-motorised sea sports facilities, Spa & Wellness Center, gymnasium, infinity swimming pool, children facilities, beach activities, fishing trips, eco-tours, bicycle rents / tour, agro tours and jungle trekking.

**B. LIST OF ACCOMMODATION UNITS AND OCCUPANCY CAPACITY OF THE ACCOMMODATION UNITS**

**Travelers Studio Villa**

Type of Membership	Parcel No.	Occupancy Capacity	No. of Timeshare Membership
<b>Gold Membership (20 years)</b>	i) 1B-001 ii) 1B-003 iii) 1B-005 iv) 1B-009 v) 1B-023 vi) 1B-053 vii) 1B-055 viii) 1B-068 ix) 1B-075 x) 2B-029 xi) 1B-065 xii) 1B-067 xiii) 1B-091 xiv) 1B-012 xv) 1B-027 xvi) 1B-074 xvii) 1B- 083 xviii) 1B-105 xix) 1B-107 xx) 1B-016 xxi) 1B-101 xxii) 1B-132 xxiii) 1B-140	Two (2) Adults & One (1) Child (12 years old and below)	23 x 51 = 1,173



**B. LIST OF ACCOMMODATION UNITS AND OCCUPANCY CAPACITY OF THE ACCOMMODATION UNITS (CONT'D)**

**Canary 2-Bedroom Villa**

<b>Type of Membership</b>	<b>Parcel No.</b>	<b>Occupancy Capacity</b>	<b>No. of Timeshare Membership</b>
<b>Platinum 10-Year Membership &amp; Platinum 20-Year Membership (10 years &amp; 20 years)</b>	i) 2C-018 ii) 2C-004 iii) 2A-003B iv) 2A-003C v) 3D-002 vi) 2A-004B vii) 2A-009 viii) 3A-003A ix) 3B-008A x) 3C-012 xi) 2A-007 xii) 1B-131 xiii) 1B-156 xiv) 2A-004C xv) 2A-005 xvi) 2A-018 xvii) 2B-010 xviii) 2B-010B xix) 2C-002 xx) 3A-003C xxi) 3B-005A	Four (4) Adults & Two (2) Child (12 years old and below)	21 x 51 = 1,071

**Royale 3-Bedroom Villa**

<b>Type of Membership</b>	<b>Parcel No.</b>	<b>Occupancy Capacity</b>	<b>No. of Timeshare Membership</b>
<b>Royale 10-Year Membership &amp; Royale 20-Year Membership (10 years &amp; 20 years)</b>	i) 3D-022	Six (6) Adults & Two (2) Child (12 years old and below)	1 x 51 = 51

## APPENDIX II

### FACILITIES AND AMENITIES IN THE ACCOMMODATION UNITS OF THE HOLIDAY RESORT

#### *Travelers Studio Villa , Canary 2–Bedroom Villa & Royale 3-Bedroom Villa*

- a) LCD TV
- b) Safe deposit box
- c) Coffee – tea making facility
- d) High speed broadband internet access
- e) Satellite TV channels
- f) Private balcony
- g) Mini bar
- h) Hair dryer
- i) Air-conditioner
- j) Ceiling fan

**APPENDIX III**  
**THE REPURCHASE**

1. It is agreed that in this repurchase scheme (hereinafter called “**the Repurchase**”), the Operator shall be entitled to deduct the following sums (hereinafter called “**the Allocated Deducted Sum**”) from the nett purchase price paid by the Timeshare Member towards the Membership Fee (hereinafter called “**the Purchase Price**”): -

<b>Category of the Timeshare Membership</b>	<b>The Allocated Deducted Sum</b>
The Gold Membership ( <i>prior to 6 January 2015</i> )	Ringgit Malaysia Sixteen Thousand Seven Hundred and Seventy Two (RM16,772-00) only
The Gold Membership ( <i>effective from 6 January 2015</i> )	Ringgit Malaysia Twenty Thousand Four Hundred and Forty (RM20,440-00) only
The Platinum Membership ( <i>prior to 6 January 2015</i> )	Ringgit Malaysia Thirty Three Thousand Five Hundred and Forty Four (RM33,544-00) only
The Platinum Membership ( <i>effective from 6 January 2015</i> )	Ringgit Malaysia Forty Thousand Eight Hundred and Eighty (RM40,880-00) only
The Platinum 10-Year Membership	Ringgit Malaysia Twenty One Thousand Five Hundred and Sixty (RM21,560-00) only
The Platinum 20-Year Membership	Ringgit Malaysia Forty Three Thousand One Hundred and Twenty (RM43,120-00) only
The Royale 10 -Year Membership	Ringgit Malaysia Thirty Two Thousand Three Hundred and Forty (RM32,340-00) only
The Royale 20-Year Membership	Ringgit Malaysia Sixty Four Thousand Six Hundred and Eighty (RM64,680-00) only

2. The sum representing the Purchase Price *less* the Allocated Deducted Sum (hereinafter called “**the Balance Purchase Price**”) shall be the amount to be taken into account in the calculation of the Repurchase.

3. The Operator shall repurchase the Timeshare Membership from the Timeshare Member at the repurchase price (hereinafter called “**the Repurchase Price**”) to be calculated as follows –

Year of repurchase	Category of the Timeshare Membership					
	<i>The Gold Membership</i>	<i>The Platinum Membership</i>	<i>The Platinum 10-Year Membership</i>	<i>The Platinum 20-Year Membership</i>	<i>The Royale 10-Year Membership</i>	<i>The Royale 20-Year Membership</i>
Initial four (4) years from the date of this Agreement	No repurchase	No repurchase	No repurchase	No repurchase	No repurchase	No repurchase
5 <sup>th</sup> year	25% of the Balance Membership Fee	25% of the Balance Membership Fee	25% of the Balance Membership Fee	25% of the Balance Membership Fee	25% of the Balance Membership Fee	25% of the Balance Membership Fee
6 <sup>th</sup> year	20% of the Balance Membership Fee	20% of the Balance Membership Fee	20% of the Balance Membership Fee	20% of the Balance Membership Fee	20% of the Balance Membership Fee	20% of the Balance Membership Fee
7 <sup>th</sup> year	10% of the Balance Membership Fee	10% of the Balance Membership Fee	RM1-00	10% of the Balance Membership Fee	RM1-00	10% of the Balance Membership Fee
8 <sup>th</sup> year	5% of the Balance Membership Fee	5% of the Balance Membership Fee	RM1-00	5% of the Balance Membership Fee	RM1-00	5% of the Balance Membership Fee
9 <sup>th</sup> year onwards	RM1-00	RM1-00	RM1-00	RM1-00	RM1-00	RM1-00

The Repurchase shall be subject to the following terms and conditions: -

- (a) The Timeshare Member must make a written request to the Operator for the Repurchase (hereinafter called “**the Repurchase Request**”);
- (b) The Repurchase shall only be applicable if the Timeshare Member has fully settled the Membership Fee and all outstanding payments due and owing to the Operator as at the date of the Repurchase Request;
- (c) The Repurchase shall *not* be operative if the Membership Fee is not paid by the Timeshare Member but *either* paid by a third party *or* where the Timeshare Membership is allocated without any monetary considerations;
- (d) In the event the Timeshare Member has utilized the Entitlement in advance, then the Repurchase Price shall be calculated based on the year the Timeshare Member has so advanced, and not on the year of the repurchase Request;
- (e) The Repurchase Price shall be calculated on an anniversary year basis, commencing from the date of this Agreement; and
- (f) The Operator shall only effect the Repurchase upon the Timeshare Member returning to the Operator the duplicate copy of this Agreement, the official receipts issued by the Operator and all documents evidencing the ownership of the Timeshare Member.