



Azure XP Limited (in Liquidation) (the “Company”) – Frequently Asked Questions

1) How does the liquidation affect the timeshare club that I am a member of?

The Company currently performs the role of club manager as detailed in the club constitution. However, the fact of liquidation does not mean that the club is unable to continue, it means that the Company will be unable to perform the role of club manager going forward.

The Joint Liquidators (“JLs”) have commenced discussions with a number of unconnected third parties for them to assume the role of club manager and are optimistic this transaction can be completed during the course of the next two months. Should this be completed, all members will be notified and provided with contact details. The new club manager will then take on the responsibility of providing member services, such as reservations, to the vacation points club.

The JLs are hopeful that the transaction will take place before the current travel restrictions to Malta are lifted, such that the transition period is as seamless as possible.

2) How has the liquidation affected my ownership of Azure X?

You, as a member, still retain the same status of ownership as you held prior to the Company going into liquidation, this remains unaffected and your rights in this respect are not prejudiced. Following the transfer of the club manager role to a third party, you will continue to be able to use your entitlement as you have done in the past.

3) Will I still be able to use my annual points entitlement?

Yes, you will still be able to use your annual timeshare entitlement in accordance with the club constitution and rules and regulations, following the transfer of the club manager role to a third party.

4) Am I still liable for current and future annual membership renewal fees?

Yes, following the transfer of the club manager role you will still be required to pay annual membership renewal fees to retain your right to use the annual entitlement, in accordance with the club constitutions and rules and regulations.

5) How does the liquidation impact the entitlements available to club members?

If appointed, the new club manager will be responsible for providing a similar portfolio of entitlements that were available to members whilst the Company was the club manager. It is

noted that the JLs are unable to confirm whether the portfolio will be exactly the same, but the Golden Sands Resort will still be included in that portfolio.

6) Will refunds be issued?

The entitlement under the contract remains valid, and so will be usable by the member. As such, we do not envisage refunds being issued to members, however they may wish to obtain independent legal advice as to their rights under the contract.

Members will of course be able to discuss the issue of paid, but unutilised, 2020 points with the new club manager should one be appointed; the manager will carry out the existing policy as advised to members by the previous manager of allowing members to use these points in the future subject to availability.

7) Will the booking go ahead, if yes from what date?

Given the current global travel restrictions in place as a result of the global pandemic, the Golden Sands Resort is currently closed. Accordingly, if your booking is made during the period when the hotel will be closed, it will be necessary to re-book. Members should look to speak with the new club manager when appointed to discuss this further.

If you have booked your entitlement at another location, the ability to use this entitlement at that location will need to be considered with the new club manager and will be subject to the prevailing issues at that location.

8) Will it be possible for members to book more days in the next year?

As mentioned above, it is envisaged that the vacation points club will be transferred to an alternative service provider, given the Company is not in a position to continue with its operation. Once the transfer of the vacation points club has been completed, the Golden Sands Resort has reopened, following the current global pandemic, then it is envisaged that members will be able to utilize their entitlements moving forward.

Should you have paid for your 2020 entitlement and have been unable to utilize it, this is a matter you should discuss with the new club manager when appointed.

9) Why did the Company go into liquidation?

The Company was placed into liquidation by its shareholders in accordance with the British Virgin Islands Insolvency Act 2003 (the “Act”). The shareholders advise that they took this decision because the Company’s financial position was deteriorating, creating sufficient doubt as to whether it would be able to pay its debts as they fall due and liquidation was required to mitigate losses to the Company’s creditors.



10) What is liquidation?

Liquidation is a formal insolvency process governed by the Act, the purpose of which is to protect an insolvent company's creditors. A liquidator is an officer of the court, his appointment is ratified by creditors. The liquidator has a fiduciary duty to act in the best interests of creditors and has a duty to investigate the causes of the liquidation.

The liquidator is tasked with gathering in the assets of an insolvent company, realising them and making distributions, net of costs, to creditors.

11) What does the liquidation mean for me?

You, as a member of Azure X which is managed by the Company, are considered to be a stakeholder in the liquidation to the extent that the Company remains the club manager. As discussed above, the JLs are working diligently to transfer the role of club manager to an unconnected third party so that the club can continue and members remain able to utilise their vacation entitlements.

The JLs will provide an update to members on their progress and inform them if their status as a stakeholder changes. The first update is expected to be available by the end of May 2020.

12) The main resort is in Malta, why is this liquidation in the British Virgin Islands?

Whilst the primary inventory for your entitlements is at the Golden Sands Resort in Malta, the Company is domiciled in the British Virgin Islands and the liquidation must therefore be conducted under the laws of the British Virgin Islands, including the Act.

13) If I purchased my membership using a loan, do I still need to pay this loan?

The JLs advise that, whilst the clubs remain active and can service its members, your obligations will remain consistent with what they were prior to the liquidation. However, the JLs would advise you to seek your own independent legal advice as to the terms of your loan agreement as they may vary from person to person and institution to institution.

14) Is the Golden Sands Resort in liquidation?

No, the Golden Sands Resort is not in liquidation and continues to operate normally in the current environment. However, it is noted that the Golden Sands Resort is currently closed, due to the travel restrictions in force as a result of the global pandemic.



15) What is the difference between the Company and Azure Resorts Limited (“ARP”) , Azure Services Limited (“ASL”) and Azure Ultra Limited (“AUL”)?

The Company was part of a group of companies commonly known collectively as Azure. ASL is a separate legal entity that is domiciled in Malta and was the company which provided services to other group companies, employing all of the Azure Group’s staff. The liquidations of ARL, ASL, and AUL are all separate processes and do not have any impact on the ability to transfer the club manager role to a third party.

16) Will I have any right to engage with the Liquidators?

As a stakeholder in the liquidation, you are fully entitled to liaise with the JLs whilst the Company is the club manager.

17) What is the Trust Company?

The trust company effectively provides oversight and support, to the Company, in the context of the timeshare services that it has been providing for the timeshare members. The organization has assisted with providing guidance, and structures which are required in the vacation ownership industry.

As such, the JLs are in dialogue with the club trustee, to ensure that timeshare members’ rights are protected and to keep them briefed.

18) If I believe I have a claim against the Company, what can I do?

If you believe you have a claim against the Company, please download the creditor claim form from the website (<https://cvr.global/azure/>) and submit this to the liquidator for adjudication via email at azureliquidation@cvr.global.

19) Would it be possible to be included in the mailout to creditors?

We have taken preliminary legal advice which has confirmed that members are not deemed to be creditors whilst the vacation points club is active.

However, the website area (link provided below), will provide updates on the position as matters progress.

20) Who should I speak to if I have any queries?

Should you have any additional queries, please address them to the JLs at the following email address azureliquidation@cvr.global. In addition, members are encouraged to visit the following website, which will provide timely updates to members, as well as relevant documentation.



<https://cvr.global/azure/>

Barry Lynch and Wesley Edwards are authorised to act as JIs in accordance with Section 159(2) of the Insolvency Act 2003. The JIs act as agents of the Company only and do so without personal liability.

