

WHITE SANDS HOTEL & SPA RESORT

BOA VISTA

REPORT AND OPTIONS FOR FRACTIONAL INVESTORS

BACKGROUND

In a structure designed by TRG in conjunction with The Fractional Ownership Consultancy Limited, fractional investors in the proposed White Sands Resort acquired Memberships of UK Limited by Guarantee Companies (LBGs) with each Company holding a contractual interest in individual rooms and suites within the Resort when completed and operational.

In late 2024 it became apparent that the LBG Companies were at risk of being struck off in the UK because there appeared to be no prospect of the statutory accounts and confirmation statements being filed in time.

TRG Founder Memberships Holdings Limited and David Mahon were appointed in December 2024 and immediately secured over £50,000 of funding from TRG to enable the required filings to take place, avoiding the strike off. To be clear, if this had not been achieved then the LBGs would have been subject to strike off and as a consequence any assets held would have been lost. The Directors wish to record their thanks to TRG for stepping in to avoid this.

VALUE OF MEMBERSHIPS IN THE LBG COMPANIES

Having averted that immediate risk, the Directors undertook a rapid review of the situation of the LBGs.

They concluded that any Membership in a White Sands LBG Company has no market value.

This is for the following reasons:

- The Resort is approximately 45% developed and has had no meaningful further development for the past 4 years (including the years lost to the Covid-19 pandemic).
- The LBG companies have never received any income and there is no immediate prospect of any income being received.
- The cost to maintain each LBG Company is approximately £500-£1,000 per annum and there appears to be no prospect of this money arriving in 2025
- There is no published opening date for the White Sands Resort
- There are no recent arm- length transactions in which any willing buyer has been prepared to acquire a Membership
- Were the Directors to seek any legal action to seek any redress from the Developer, there is no prospect of funding to cover the significant legal expenses

- Without an injection of funding, the LBG Companies are likely to be unable to fund the cost of complying with filing obligations in 2026.

We understand that this is disappointing news that many will find distressing or upsetting. However, the Directors feel it is important that Members have a clear understanding of the current position.

It should be clear that this situation ONLY applies to White Sands where the Resort has yet to be developed. The operating Resorts of TRG at Tortuga, Llana and Dunas Resorts on Sal are in an entirely different position.

It should also be clear that where investors in White Sands are able to wait without income and fund the existing structure, until a date at which the White Sands development is complete, it maybe that interests in the project do have both a value and an income – however it is currently impossible to imagine when and how much that will be. A completed White Sands project is likely to be a valuable hospitality property which should have significant future market appeal.

Members will therefore have to make a decision about either exiting the investment or funding and maintaining a structure in the hope of future value. This document aims to provide as much information as possible to help Members decide what best to do.

However, to be clear, to take no action is NOT a realistic option. Any Member who does not select an option should expect that either their Membership will be cancelled or the LBG Company in which they are a Member will be closed down before the end of 2025.

OPTIONS

The Directors have decided to recommend to Members a number of options, which Members should consider and opt for based on their specific circumstances. These are as follows:

1) TRANSFER TO A NEW, SINGLE HOLDING COMPANY TO MANAGE ALL INTERESTS AT A LOWER COST OF ADMINISTRATION.

The Directors will create a new UK-based Private Limited Company and will issue 1,000 shares of nominal value 1p each for each contract for room ownership that is transferred into this Company. This Company will be dormant unless and until the White Sands Development recommences, and at that time will negotiate with TRG for the best commercial terms for the operation of properties owned by that Company.

Until that time, the Directors will seek the small amount of funding required to allow the Company to cover its administrative costs approximately £10,000 per year to cover Directors, Communications and insurances. The Directors will be entitled to issue shares up to a maximum of 9.9% of the shares in issue to fund this.

When and if it becomes clear that TRG will be opening the White Sands Hotel for operation, the new Company will engage to agree a normal commercial FRI lease on appropriate terms, and shareholders will then benefit from the capital value and rental income. Such discussions may require creative solutions supporting the costs of opening or finalising central facilities to bring the assets of the company into genuine operating value. While the Directors believe that a fully operational White Sands resort will

have value and will be attractive to Tour Operators, such is the uncertainty the level or likely return cannot be even estimated at this time.

There will be no cost to the Members wishing to convert to the new Company,

This is NOT a public offering. Only Members holding an existing Membership will be entitled to subscribe for shares and they can only be acquired where 100% of the Membership of an LBG agrees to subscribe.

When an LBG does agree the Members will be allocated 10 shares for each % of an LBG that their Membership entitles them to. For example, where an LBG has 4 Members, each will receive 250 shares.

There is NO guarantee that these Shares will have any significant future value, and it does mean that if the Resort is developed, shareholders will then have rights spread across all the property owned by the new company – not in one individual room.

There is also NO guarantee that Shares in the new Company will be easily marketable.

The new company will ONLY have interests in the White Sands development, will be established entirely for this purpose, and will have no other assets.

2) SURRENDER YOUR MEMBERSHIP

In accordance with the Articles, Members may choose to surrender their existing Membership. This will mean that you will no longer hold any interest in the White Sands development.

3) TAKE OVER THE LBG

Only where all remaining Members (after any Surrenders take place) opt for this option, will this be possible. In those circumstances, the Members will choose from among themselves who the Founder Member and Directors of the LBG should be and they will take over responsibility, including costs, for maintaining the LBG and the current Directors and Founder Member will resign.

To be clear, at least one of the nominated Directors in this case must be a natural person.

NEXT STEPS

Where a Member does not respond then to protect the Members who have engaged with this process and expressed a wish, the Directors will use their authority to cancel or suspend the Membership in question to avoid detriment to those Members who have expressed a preference.

This is a complicated matter, and where Members are not experienced they should seek professional and qualified advice.

Please note that any response expressing a preference to subscribe to the new company – Option 1 – is only at this stage an expression of preference, and full subscription documentation will be compiled and circulated at the time of the share issue. Members taking this option may subsequently change their minds and opt for either 2 or 3 later.