

BACKGROUND INFORMATION

1) The Government announced the repeal of the RENT CONTROL ACT, designated parts of CHINATOWN as conservation areas, and published guidelines to put these into effect. On numerous occasions the committee and members held meetings to deliberate on this and the best course of action to adopt. The property valuer, MR LIM, very kindly responded to MR. SITOH YIH LIANG's invitation and came to give us his opinion and advice. He noted that CLUB STREET is very well sited in the midst of the central business district. Profitability is increased if the ground floor's use is approved for change as for use as restaurant or coffee shop, because of greater rental value than that of office space and waiver of requirement of car park provision because of it being a conservation building. Total floor area of three floors is about 5000 sq ft. Monthly rental at \$2/- per sq ft amount to \$10,000. This is a conservative estimate.

- ii) Our member, Yee Liang, is the ^{intended} appointed architect. His estimate of the total cost including compensation is \$500,000/-.
- iii) Previous discussion with the bank regarding funding by mortgaging the property showed that a guarantor(s) is required. It is difficult for any member(s) to shoulder the responsibility. Consensus is that interest free loans from members provide the solution to funding. In about 5 years all loans will be repaid from the rental income. In this way we are enabled to ensure the continued success for the purpose of the property and assets left by our ancestors and senior members.
- iv) After the loans are repaid, the rental income monthly (\$10,000⁺) will greatly increase the financial reserve of the Association. This may be used for financial assistance for Primary and Secondary education, loans for tertiary and technical education, financial assistance to the impoverished and for charities.
- v) Names of those providing loans shall be appropriately inscribed at 85 CLUB STREET. Regardless of amount, all loans are of equal significance in terms of sacrifice and contribution made by the concerned members.

NOTE:-

- a) By providing loan interest-free, members enable the status of non profit organisation to be maintained and enable the Association to continue to enjoy current waiver of income tax granted in response to repeated appeals submitted by MR SITOH KOK KUI.
- b) Current value of office space is \$350 - 550 per sq ft (1.75 - 2.75m)