

Proposed Collective Sale of Changi Garden

**Minutes of Collective Sale Committee Meeting #10
held on 11 October 2016 (Tuesday) at 7.30 p.m. at Changi Garden, #967**

Collective Sale Committee (CSC):

Name	Unit	Function	Present	Absent with apologies
Tay Siong Siew (TSS)	58B	Chairman	√	
Heng Teck Leng (HTL)	60B	Vice-Chairman	√	
Vevian Seow (VS)	40	Secretary	√	
Elizabeth Lee (EL)	44	Member	√	
Heng Teck Par (HTP)	971C	Member	√	
Molly Koh (MK)	40A	Member	√	
Ng Yen Lee (NYL)	961B	Member	√	
Raymond Wang (RW)	961C	Member		√
Heng Teck Hoe (HTH)	963C	Member	√	
Wang Wee Siok (WWS)	60	Member	√	

In attendance:

Tan Chun Ming (TCM)	Edmund Tie & Company (SEA) Pte Ltd (“ETC”)
Lee Joo Fee (LJF)	Edmund Tie & Company (SEA) Pte Ltd
Lee Liat Yeang (LLY)	Dentons Rodyk & Davidson LLP (“DRD”)
Chua Shang Chai (CSC)	Dentons Rodyk & Davidson LLP

The Meeting was called to order at 7.45 p.m.

S/N	Agenda	Action
1.0	Updates on Valuation Report	
	<p>ETC went through the draft valuation report from Jones Lang LaSalle (“JLL”) with the CSC. A tele-conference was carried out at the meeting with JLL, at which JLL provided satisfactory explanation/ clarification on the basis of the valuation.</p> <p>The CSC proposed some minor amendments to the valuation report and instructed ETC to inform JLL of these minor comments for their incorporation.</p> <p>The CSC members present at the meeting unanimously agreed and accepted the valuation report, subject to the CSC’s proposed minor amendments being incorporated in the valuation report.</p>	<p align="center">Info Only</p> <p align="center">ETC</p> <p align="center">CSC</p>
2.0	Method of Apportionment	
	<p>The CSC continued their discussions on the possible methods of apportionment of the sale proceeds following the last meeting. Four possible methods were discussed, as follows:</p> <p>(i) Apportionment of sale proceeds by a method based on 100% valuation for each unit;</p> <p>(ii) Apportionment of sale proceeds by a method ascribing a one-third weightage each to valuation, strata area and share value respectively for each unit;</p>	Info Only

	<p>(iii) Apportioning of sale proceeds by a method by (I) First, each unit getting a sum equivalent to the valuation of the unit, before (II) apportioning the balance of the remaining sale proceeds by a method ascribing a 50% weightage each to strata area and share value respectively for each unit; or</p> <p>(iv) Apportioning of sale proceeds by a method by (I) First, each unit getting a sum equivalent to the valuation of the unit, before (II) apportioning the balance of the remaining sale proceeds by method ascribing a 100% weightage to the share value for each unit.</p> <p>After much deliberation, the CSC members present at the meeting unanimously agreed on the proposed method of apportionment based on 100% valuation for each unit, to be recommended and presented to owners at the next Extra Ordinary General Meeting (EOGM). Such a proposed method of apportionment is fair and reasonable, and is one which will most likely be accepted by the owners since the percentage premium is consistent for all the units.</p>	CSC
3.0	Reserve Price	
	<p>In setting the Reserve Price (“RP”), ETC recommended that the RP should not be too high, such that the property is priced out of the market. At the same time, it should be attractive so as to garner support from 80% of the subsidiary proprietors. ETC recommended that the CSC consider fixing the RP at \$160 million.</p> <p>ETC explained that whilst every owner would wish to have RP that is as high as possible, setting it too high might be counterproductive if the market is unable to meet such expectations. The CSC would therefore need to balance these 2 competing factors – the owners’ desire to sell their property at the highest price possible and the commercial strategy of putting the property for sale at a commercially reasonable price in order to have the best chance of eventually obtaining the highest price.</p> <p>In this respect, ETC noted that a property that is launched for sale by public tender at a reasonable reserve price tends to attract competitive bids from developers, if they know that their competitors are also interested in the property. This is evidenced by recent government land sales and the recent sale of Raintree Gardens. It can therefore be seen that the best price for a property would be helped if there are 2 or more competing parties vying for the property at the close of tender.</p> <p>The CSC members present shared their respectively views and concerns over the RP. All CSC members voted with their recommendation of proposed RP.</p> <p>After much deliberation, the CSC unanimously agreed on the RP of \$172 million to be proposed to owners at the next EOGM.</p>	<p>Info Only</p> <p>CSC</p>
4.0	Financial Loss	
	<p>It was shared that there could be a potential financial loss case depending on the eventual sale price and the method of apportionment to be adopted for the collective sale of Changi Garden.</p>	Info Only

5.0	Collective Sale Agreement (“CSA”)	
	<p>DRD informed the CSC that they will include the information such as the RP, the method of apportionment as well as other details such as the terms of appointment of the professionals and the names of the respective owners in the final draft CSA. The final draft CSA will be circulated to the CSC at a later stage for their perusal.</p>	Info Only
6.0	Indicative Timeline & Next EOGM	
	<p>ETC discussed the working timeline and the CSC proposed to hold the next EOGM on 26 or 27 November 2016 (Saturday or Sunday) at Changi Garden, provided the 20% owners’ requisition for the EOGM and other administrative matters can be completed within the stipulated timeframe.</p> <p>ETC would assist the CSC to prepare a cover letter to be sent to all owners. A copy of the finalized draft CSA will also be circulated to all the owners together with the EOGM Notice.</p>	Info Only
	<p>There being no other business, the meeting ended at 11.15 p.m.</p> <p>Confirmed by:</p> <p>-----</p> <p>Chairman Date:</p>	