

PRESIDENT'S MESSAGE TO MEMBERS

Dated 1 September 2015

Dear Members,

Following the last message to members on 16 May 2015 and the recent Members' Dialogue held on 23 June 2015, the General Committee ("GC") and I have some updates on some of the key matters involving the Club.

AGREEMENT WITH LABOUR MOVEMENT

In finalising the three Agreements (the Memorandum of Agreement, the Licence Agreement and Facility Sharing Agreement, collectively known as "the Agreements"), Labour Movement informed the Club that they require "Exit Rights" to be included into the Memorandum of Agreement.

On 7 April 2015, the Club wrote to the Ministry of Law ("MinLaw") to seek assurances that SICC would not be adversely impacted by this requirement. On 14 April 2015, MinLaw informed the Club that given these developments, the deadline has been extended to 31 August 2015.

The Club received a recent response from MinLaw on 14 August 2015, notifying the Club that the deadline to conclude the agreement has now been further extended to 30 November 2015 as the matter is still under consideration.

ISLAND LAND LEASE – APPLICATION TO RENEW

Following the Club's application for renewal of the Island location land lease and the Club's follow up with the Singapore Land Authority ("SLA"), on 12 August 2015, the Club received an indicative valuation sum from SLA.

Based on the existing land area and gross floor area ("GFA"), the indicative lease extension premium for SICC's Island location for a lease until 31 December 2040 is estimated to be **\$85 million (Eighty Five Million)**. This indicative premium is subject to the outcome of Ministry of National Development's ("MND") and Ministry of Environment and Water Resources' ("MEWR") study on the safeguarding of reservoir edges and boundary survey.

REDEVELOPMENT OF ISLAND GOLF COURSES

Following the GC's last message on 16 May 2015 and the update at the Members' Dialogue, the Planning and Redevelopment Committee ("PRC") proceeded with the process for the selection of the architect for the redevelopment of the Island Golf Courses, within the timelines stipulated.

Three (3) firms were shortlisted and submitted their conceptual designs to the Club in early July 2015.





The Club's consultant, Qualitas Project Control ("Qualitas") evaluated the detailed submittals along with all relevant materials and prepared a comprehensive report. Each architect firm then made its presentation to the PRC and the GC in July.

Qualitas evaluated the dossiers submitted with 24 key objectives, and taking into account the presentations, made a final recommendation that Graham Marsh Design be selected as the Club's golf course architect to reconfigure the 27-hole layout at the New and Millennium courses. This recommendation was presented to and unanimously accepted by the PRC as well as the GC.

Management hopes to present the design and budget for members' approval in the coming months.

REDEVELOPMENT OF BUKIT FREEHOLD LAND

Having received expressions of interest from 10 firms, these firms were required to submit a host of deliverables along with a concept design proposal. The submissions were made directly to and managed by the Club's internal auditor. The submissions were all blind, in that they did not contain any details, markings or information on the 10 architects in any of the materials submitted to the Club.

After receiving the conceptual designs from the 10 shortlisted firms in May, they were reviewed by the independent, external panel of Assessors appointed by the Club. The Assessors were:

- (i) Mr Raymond Woo – Principal Architect of Raymond Woo and Associates Architects
 - (ii) Mr Richard Ho – Principal Architect of Richard Ho Architects
 - (iii) Mr Theodore E C Chan – Partner, CIAP Architects
- ("the Assessors")

The 10 firms were then further shortlisted to four (4) finalists. At this stage of the competition, the architect firms were required to submit, amongst other things, the following to the Internal Auditor:

- (i) An expansion of the initial design concepts
- (ii) Drawings with elevations; and
- (iii) Perspectives of the different facilities

Again, the submissions were blind. The Assessors finally met the architect firms who were required to make individual presentations to the Assessors, on separate dates. In late July, after a thorough evaluation of the materials received and the presentations made, the Assessors made their recommendation to the PRC as well as the GC.

After much discussion, the PRC and the GC unanimously accepted the recommendation of the Assessors to select the architect, Messrs Park + Associates as the winning firm in the design competition.

The Club will now proceed to make an outline submission to the Urban Redevelopment Authority ("URA"), after having received the Chairman's approval. The design and estimated cost of redevelopment of the Bukit Freehold Land will be presented to the general membership in the coming months for approval. Management is expected to display the winning conceptual design and the profile of Park + Associates fairly soon at the Club's lobby and website.

The PRC as well as the GC are exploring the relocation of the tennis and squash courts to the Island location. Having met the representatives from the tennis and squash fraternity, the exact site at Island location and development costs have yet to be determined.

The GC will also be taking into account the comments and feedback received from members during the recent Members' Survey when refining the final designs for the Bukit Clubhouse and the reconfiguration of the Island golf courses.

CLUB'S FINANCIAL POSITION

We expect that members will want to know if the Club has sufficient funds to proceed with the proposed redevelopment given that the lease premiums would also be due.

The Club's total available funds are approximately \$413 million.

The lease premium for both locations is expected to be \$105 million (Island-indicative premium sum to be \$85 million and Bukit estimated to be \$20 million). Based on the preliminary conceptual designs, the cost of the redevelopment and reconfiguration of the Island golf courses and at Bukit is estimated by the Consultant and Architect to be around \$115 million. Management also expects that some of the existing facilities at Island would have to be enhanced to accommodate the increased traffic and this is expected to cost us another \$15 million.

Taking into account the above costs, we expect to have a balance of \$178 million in our available funds. With this, there would be no necessity for the Club to seek members' contribution for the lease extension and the proposed redevelopment at both locations.

With the present financial projection, the Club should still be financially sustainable up to 2021 at the current levels of operation.

CONCLUSION

In closing, I wish to thank the members of the GC, the PRC and Management for the tremendous amount of effort and work that has been put into getting us to where we are today. A lot of personal time has been contributed by these members.

On behalf of the GC, I also wish to take this opportunity to thank members for your continued support.

Thank you.

Yours Sincerely,



Tay Joo Soon
President