

MOTION 1 PAPER:

To Replenish the sinking fund deficiency of RM966,474.00

BACKGROUND

The financial deficit for the year ended in 2016 was RM966,474.00. The deficit occurred during the period when the Service Charges were insufficient to cover the expenses, which resulted in the revision to increase Service Charges in 2017 via an AGM held on 8th October 2016.

During the 1st AGM of the Management Corporation on 23rd May 2018, motion 4 to utilise the sinking fund to offset the losses has been strike off as the majority members at the floor view is not appropriate, therefore since the new MC members was newly on board and task to look into this matter, which came to the conclusion to call for funds to replenish the deficiency.

The MC has deliberated during the MC meeting held on 29th June 2018 and 25th September 2018 and proposed to replenish the fund in 6 instalments as per table attached below:-

Replenish Option on the usage of Sinking Fund in YA 2016
Installment in 6 months

	Square Feet	Total Share Unit	Deficit	Total Contribution per Share unit	Total Contribution per sq feet	6 months Installments	Contribution per Share unit for per month	Contribution per sq feet per mth
			RM	RM	RM	RM	RM	RM
Retail	561,739	256,265	213,078	0.83	0.39	35,513	0.14	0.06
Office	472,142	175,436	149,795	0.85	0.32	24,966	0.14	0.05
The School	389,284	180,810	85,925	0.48	0.22	14,321	0.08	0.04
129 Office	214,568	79,728	219,631	2.75	1.02	36,605	0.46	0.17
Residential *****	362,178	33,644	168,164	5.00	0.46	28,027	0.83	0.08
	<u>1,989,910</u>	<u>725,883</u>	<u>836,593</u>			<u>139,432</u>		

Residential phase has surplus for the financial year 2017 and estimate 2018

***** Residential Surplus in YA 2017	RM
Estimated surplus YA 2018 approximately	RM79,802.00
	RM 50,000.00
	<u>RM129,802.00</u>

Example of units payment by Indtallment for 6 Months

Example units	Unit No	Share Unit	Square Feet	Contribution per share unit	Contribution per sf per month	Contribution Amount per month
				RM	RM	RM
Block C Retail	C-39-P2	1195	2573	0.14	0.06	166
Block A Office	A-09-1	668	1798	0.14	0.05	95
The School Retail	100.1.023	1340	2885	0.08	0.04	108
129 Offices	100.8.043	440	1184	0.46	0.17	202
Tower 1 residences	R1.22A	125	1346	0.83	0.08	104
Tower 2 residences	R2.11G	86	926	0.83	0.08	72

All members are to vote for or against the replenished of the sinking fund during this coming EGM.

Attached please find the explanation note and the MC meetings minute on this issue.

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