

**MINUTES OF THE 81ST ANNUAL GENERAL MEETING
HELD ON 20TH May 2017(Saturday) AT 3RDFLOOR AUDITORIUM,
CIVIL SERVICE CLUB, 60 TESSENSOHN ROAD (OFF BALESTIER ROAD)
SINGAPORE 217664.**

Attendance : One Hundred and Five Members attended the Meeting.

Chair : Mr. S Krishnan, the Chairman of the Society chaired the meeting.

PRESENTATION OF THE SCHOLARSHIP AWARDS

(Item 1 of the Agenda)

Mr. S Krishnan, Chairman, was invited to present 18 scholarship awards to successful candidates amounting to \$3,300/-.

ADDRESS BY CHAIRMAN

(Item 2 of the Agenda)

Good afternoon, members

Welcome to the 81st AGM of our Customs Credit Cooperative.

I confirm that a quorum is present and finally declare the meeting open.

It has been a tough 12 months in many respects and I want to share with you clear insights of our credit business operations, our subsidiary investment CCCS International Learning Institute, current and future legislative environment and sustainability of Customs Credit Cooperative.

I trust the Power-point Presentation by Hon. Secretary on our investment plan and the Training school activity will provide a clear understanding of the great many challenges that we face each year.

Business Performance – Credit

As you are all aware that our loan business determines our revenue, more borrowings means more surplus. However innovative we are, we are still subject to the new legislative rules. For example if our CAR is below 8%, we drop to Tier 3 and if we improve on the CAR, we move one notch to Tier 2 and our loan quantum increases. Cash Adequacy Ratio(CAR) level is a key factor to determine the maximum loan quantum the Cooperative could lend to each member. To attain higher CAR level, we have to increase our General Reserve. Our current membership is 781 members and each month we process a couple of resignations mainly due to retirements. Loans are dropping although there was an increase in FY2016 from \$1,571,069 to \$1,694,719.00 – 7.8% and Gross profit was \$380,130/- as against \$316,576/- in 2015. Our net surplus is \$177,137.00 and assets stood at \$7,609,146.00. All the details are contained in the Annual Report and I am pleased to declare a dividend of 1.25% per member thrift savings and 3% per members share.

CCCS International Learning Institute

As shared in previous AGMs as part of our strategic review to diversify our business because of dwindling membership and the risk involved in equities trading in SGX, the Board obtained the mandate of the members to look for alternative solutions to supplement our core business. A sum of \$3 million was approved for investment purposes in 2009. The BOD did not tap the funds until 2013 and in 2014 registered a business to conduct training. We drew a sum of 100k and for start-up cost we drew another \$400K. As the new rules prohibited credit cooperative to grant loans to

“non-members” and our Training School falls under that category. As such, we have to return the loan to Customs Credit Co-op as this investment was also deemed as Restricted Investment under the new rules and regulations. We knew that we will face difficult times and were undaunted when we returned the \$400k to Customs Credit Co-operative Society after purchasing 900,000 shares at \$1 dollar par value to manage the business and operating cost. By then, we had consumed a significant amount for the initial start-up cost, manpower and rental. Given the changes in the educational landscape, we found opportunities in applying for a Public ATO for Skills Future supported courses and Early Childhood Education and Care. We embarked first on Early Childhood Diploma and Fundamental Courses and in order to meet strict compliance for CPE ERF Status, we recruited qualified teachers and secured an approved CPE inspected premises to commence the programme. Regretfully, our application was rejected as there was a shift in policy and new private schools were prohibited from participating in this program. We appealed to CPE in person but was rejected. Thereafter, we decided to embark on the Public ATO project and in July 2015 we got the approval to run two security course modules.

With the approval, we tirelessly promoted the courses and in September 2015 we commenced operation. The intake then was very small but slowly following the implementation of Skills Future Credit, Singaporeans showed interest in attending these courses as the licence was valid for 5 years. In fact security related courses were the top 4 popular courses under the skills future Programme. WDA was impressed with our performance and additional course were approved for us to develop. By then, we had sunk a big chunk of money into the start-up cost which included rental, manpower, equipment and trainers fees. We appealed to Registrar to allow us to inject additional capital but did not accede to our request as the investment was part of the 20% RI and also given the losses will impact the financial strength of the cooperative. We also had to relocate to Peace Centre upon expiry of the lease @ Wisma Alsagoff, North Bridge Road. Notwithstanding, to meet operating expenses, and to improve the cash flow additional funds totaling \$180 K (\$100,000 shares purchased by me) and (2 small loans of \$50K and \$30K) was used to continue the business for which we were optimistic. Additional courses were developed but again our available operating cost was inadequate to continue operations as income from just 2 courses were insufficient to meet the operating cost. To date more than 600 people attended the courses but income is inadequate and more funding is required to develop additional courses and upfront courses to pay trainers, assessment fees. Since there is no avenue to continue the business/investment and also the need to protect the interest of the co-operative society, the Board decided to hive off the business. We have negotiated with a Multi-Purpose Cooperative to consider the purchase of the CCCS International Learning Institute at its current NAV of about 100K based on the auditors assessment and to re-focus on our credit business which I am afraid based on current situation is very challenging.

Merger with another Credit Co-operative Society

New set of rules/law will be introduced by the Registrar of co-operative Societies to further strengthen the cooperatives management team and compliance. Public consultation is taking place and a meeting on the changes will be held on 24th May 2017. Changes include amendments to Co-operative Act, succession planning, qualified personnel for key posts, CEO, co-opting of members to beef up the quality of the Board. In the given circumstances, we have very little choice but to follow-up on your mandate to negotiate a merger or join another cooperative and to continue our loan services and hopefully better dividends for our existing members.

85th Dinner and Dance

We will be 85 years old this year. Despite all these challenges, the Board decided to organise a D&D on 14th Oct 2017 at Mandarin Hotel for our members to get together

and cherish our good old days. I look forward to your support and attend this function.

Thank You for your continued support and your belief in Customs Credit Cooperative.

CONFIRMATION OF MINUTES

(Item 3 of the Agenda)

The minutes of the 80th Annual General Meeting held on 28 May 2016 which had earlier been sent to members were confirmed as a correct record with Mr. Choo Teik Choon proposing and Mr. Michael Pius seconding.

ADOPTION OF THE ANNUAL REPORT

(Item 4 of the Agenda)

The Report of the Board of Directors for January to December 2016 was unanimously adopted as proposed by Mr Jaya Sanger S/O Adaikalasamy and seconded by Mr V.Balakrishnan.

STATEMENT OF ACCOUNTS FOR 2016

(Item 5 of the Agenda)

The Statement of Accounts for the year ending 2016, which was audited by the Public Accountant M/S S.K.Cheong & Co, were adopted and approved as proposed by Mr. Brendan Michael and seconded by Mr V.Balakrishnan.

APPROVE THE PROPOSED RESOLUTIONS FOR 2016/2017

(Item 6 of the Agenda)

RESOLUTIONS BY THE BOARD OF DIRECTORS – AGM 2017

Resolution No 1

That this 81st Annual General Meeting of the society approves the payment of 3.% for Share Capital and 1.25 % for Thrift Savings as Dividend as at 31 Dec 2016 from the Profit and Loss Account and 1% on General Savings for FY 2017.

Proposed by Ms Sim Siew Hong and Seconded by Ms Chong Ying Lee.

Resolution No 2

That this 81st Annual General Meeting of the Society approves the proposal to sell our Co-operative Society owned Units #04-01 & #04-02 Parklane Shopping Mall, Singapore 188307 to any prospective buyer at an open market value (OMV).

Proposed by Mr. Brendan Michael and Seconded by Mr. Jaya Sangar S/O Adaikalasamy

Resolution No 3

That this 81st Annual General Meeting of the Society approves the proposal to sell our wholly owned subsidiary, CCCS International Learning Institute Pte Ltd, #04-02, Parklane Shopping Mall to any prospective buyer based on the Net Asset Value (NAV).

Proposed by Mr. V.Balakrishnan and Seconded by Mr. Tong Wai Mun.

Resolution No 4

That this 81st Annual General Meeting of the society resolves the payment of allowance of \$12,000/- per annum as allowances to the Society's Secretary, Treasurer and Assistant Treasurer which shall be at the discretion of the Board of Directors.

Proposed by Mr. Tong Wai Mun and Seconded by Mr. Ganesh S/O Peramaiyan.

Resolution No 5

That this 81st Annual General meeting of the Society resolves the payment of allowance of \$12,170/- as honorarium to Board members not in receipt of any allowances.

Proposed by Mr. Michael Pius and Seconded by Mr. Tong Wai Mun.

Resolution No 6

That this 81st Annual General Meeting of the Society approves the proposed appropriation of profits and estimated expenditure for 2016/2017.

Proposed by Mr. Jaya Sangar S/O Adaikalasamy and Seconded by Mr. V.Balakrishnan

Resolution No 7

That this 81st Annual General Meeting of the society authorizes the Board of Directors to appoint external auditors for 2017/2018

Proposed by Ms Chong Ying Lee and Seconded by Mr. Tong Wai Mun.

TO ELECT MEMBERS OF THE MANAGEMENT COMMITTEE

(Item 7 of the Agenda)

Manager, Tan Ting Meng informed the meeting that at the closing date of nomination, three nominations were received and they are as follows:

- 1) Mr. P.Namasivayam
- 2) Mr. Mohan Singh

As there was no contest for the two vacancies from the Board of Directors of the Society, the above-mentioned Two(02) nominees were duly elected to serve as directors in the Board of Directors to meet once a month to deliberate on the proper management of the Customs Credit Co-operative Society (S) Ltd

APPOINTMENT OF EXTERNAL AUDITOR

(Item 8 of the Agenda)

The Chairman sought the mandate of the General Body through a resolution to appoint a new External Auditor for the Years 2017/2018. The resolution was passed on the Proposal by Ms Chong Ying Lee and Seconded by Mr Tong Wai Mun.

ANY OTHER BUSINESS

(Item 9 of the Agenda)

The Hon Secretary told the meeting that there were no letters or motions received for discussion at the Annual General Meeting.

POWERPOINT PRESENTATION BY SECRETARY

The Hon Secretary, Mr. P.Namasivayam made a presentation to coincide with the Chairman’s Address to the main body. The presentation was on the prudential requirements of the Registrar of Co-op Societies, our Internal Controls, the Loan Limits to our members, our Financial Performance, the Benefits provided to Members and Membership Drive. The presentation also included the chronology of events leading to the decision to sell the CCCS International Learning Institute to any prospective buyer at Net Asset Value and initiatives/strategies for development of the Co-operative Society. He also said that there is enhancement on the method of making monthly payments to our Society. Arrangements have been made for Associate Members to make their monthly payments to the Society by GIRO. He also informed the members that our Society will be promoting new loans to members to ease their financial difficulties and that they can feel free to approach the Society. The new Loan Products are Consolidated Loan for Credit Card Debts, Mortgage Loans, Renovation Loans and Other Loans for Approved Investments. The Co-op Society will be prudent and careful when giving loans to members facing serious cases of indebtedness.

VIEWS/QUERIES FROM MEMBERS PRESENT

The following members raised queries as follows:

Mr. Eng Fook Toon: He asked about the merger with another credit co-operative society for which a mandate has been obtained at previous AGM. He also asked Chairman about the details of the credit co-operative we planned to merge. Chairman informed Mr. Eng Fook Toon that the Registry of Co-operative Societies’ approval will be sought on the merger once we have found a suitable credit co-operative society with the facilitation of Singapore National Co-operative Federation. Several factors will be taken into consideration before we finalize on the merger

ADJOURNMENT

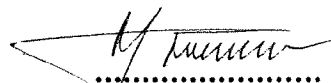
The Chairman expressed his thanks to members, Management and Staff for their support and contribution to the performance of the Society. Thereafter, the meeting was declared closed at 3.00 pm.

RECORDED BY



**P.NAMASIVAYAM
HON SECRETARY**

CONFIRMED BY



CHAIRMAN