



CUSTOMS CREDIT CO-OPERATIVE SOCIETY (S) LTD.

35 Selegie Road #04-01, Parklane Shopping Mall, Singapore 188307
Tel: +65 6338 4890 Fax: +65 6338 4870 Email: cccsl@singnet.com.sg

MINUTES OF THE 83rd ANNUAL GENERAL MEETING HELD ON 15th June 2019(Saturday) AT 3rdFLOOR AUDITORIUM, CIVIL SERVICE CLUB, 60 TESSENSOHN ROAD (OFF BALESTIER ROAD) SINGAPORE 217664.

Attendance : 88 (Eighty-eight) 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 83rd AGM of Customs Credit Co-operative. I confirm that a quorum is present and declare the meeting open and present to you our 83rd Annual Address. To all our Muslim members let us wish you a "Selamat Hari Raya" and to all fathers and grandfathers "Happy Father's Day"

I just wished that I could also happily address our business performance for the year 2018. Unfortunately, I cannot due to the looming headwinds and our daunting mission to manage the co-operative society to create more revenue and generate surpluses.

Again it has been a very tough 12 months as beside our core activity of lending we also had to rigidly adhere to evolving rules and regulations and that include meeting the minimum capital adequacy ratio or CAR. As explained in the previous AGMs, beside generating surplus it is also mandated that we meet the minimum CAR of 8%. This is something we are not able to achieve simply because of our limited loan business, investments and corresponding slow built up of our general cash reserve. To put it bluntly, loans hardly move because of our small ageing membership who do not need frequent loans to meet their needs. Most members have adequate funds through retirement, pension, savings, CPF annuity and continued re-employment. I am sure you heard the recent comments from Government of extending the retirement ceiling to 67 years and a paper will be out in September 2019.

I trust the PP presentation later by Hon Treasurer on our business performance and plans will provide you with a clear understanding of the challenges that we face each year. It is really daunting!

Business Performance – Credit

Our current CAR level is 0.1%. Whatever business model or improvements we make we are still subject to the new legislative rules. To attain higher CAR level we have to increase our General Reserve. Our current membership is 690 down from 781 members. Drop in membership is mainly retirement for good and young officers leaving the service. Our Loans decreased from \$1,519,103 in 2017 to \$1,390,284 in 2018. Notwithstanding a net surplus for FY2018, our net assets is at negative of

\$198,367. In the given circumstance, regretfully we are not able to declare a dividend. Importantly we need to improve our CAR level and our General Reserve.

As you are aware mere loan activities alone is a sure recipe to drive our cooperative into oblivion. Let me quickly refresh our memory. Since the GFC in 2008 and the introduction of new rules, CAR requirements and other legislative changes, we managed to sustain our existence because of your support and mandate to diversify. One early strategy was to return our idle cash of nearly \$5 million belonging to members and then we started a journey to diversify including investing in a portfolio of dividend paying stocks providing a decent income flow. Another was the start-up CCCS Training Institute which commenced operation in 2016 as a fledgling WDA approved Training Institute for employability in the security sector. We had to sell off our CCCS Learning Institute as we were not able to continue to absorb losses and impact our cooperative society's well-being. Today, the school is in business but not profitable yet but I am optimistic that the school will generate good profit in 2020/2021. Then, we can also re-instate our 100K shares which was written off in this FY.

Legislative changes and Amendments to the Cooperative Act.

The new Amended Co-operative Act came into force on 10th April 2018. This includes co-opting of members to beef up the quality of the Board. Hence Resolution No. 3 was tabled for passing by the general body. Also in 2020, CAR level will be raised to 10%. Other changes include mandatory and requisite qualification to serve the COM

Future plans.

Merger with a another big credit co-operative society to be kept in abeyance. We are now re-examining our whole scope of our business operation to ensure we remain viable and continue with our core activity as a lender to provide loans to officers in need. We will also seek expert advice on returning unused cash from non-borrowers, limit our risk exposure, improve our CAR and built our cash reserve. Barring any 'tsunami', give us a couple of years for us to return to better times. For that I need your sincere support to help us to keep the Customs Credit Cooperative alive and healthy in years to come.

Before I end, I would also like to place on record our sincere appreciation to Mr Soong Wei Sin, our past Vic-Chairman who has decided not seek nomination because of family and work commitments. Mr Soong was a valuable board member who contributed immensely for the well-being of our co-operative society. We wish him well.

Thank you and I will hand over to our Secretary.

CONFIRMATION OF MINUTES

(Item 3 of the Agenda)

The minutes of the 82nd Annual General Meeting held on 05 May 2018 which had earlier been sent to members were confirmed as a correct record with Mr. Jay Suresh proposing and Mr. M. Silvarajah seconding.

ADOPTION OF THE ANNUAL REPORT

(Item 4 of the Agenda)

The Report of the Board of Directors for January to December 2018 was unanimously adopted as proposed by Mr Tanagobar and seconded by Mr Gopalan Neelakandan

STATEMENT OF ACCOUNTS FOR 2018

(Item 5 of the Agenda)

The Statement of Accounts for the year ending 2017, which was audited by the Public Accountant M/S AG AUDIT & ASSURANCE were adopted and approved as proposed by Mr. Michael Pius and seconded by Mr Jay Suresh.

APPROVE THE PROPOSED RESOLUTIONS FOR 2019/2020

(Item 6 of the Agenda)

RESOLUTIONS BY THE BOARD OF DIRECTORS – AGM 2019

Resolution No 1

That this 83rd Annual General meeting of the society resolves the payment of allowance of \$9,600 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 Othman Ani and Seconded by Mr V.P. Krishna

Resolution No 2

That this 83rd Annual General Meeting of the Society approves the proposed Appropriation of Profits 2018 (Annex B1) and Estimated Expenditure for 2019/2020 (Annex B2) which is in the 83rd Annual Reports and Accounts.

Proposed by Mr Jaya Suresh and Seconded by Mr Brandon Michael

Resolution No 3

That this 83rd Annual General Meeting of the society seeks the members' approval for the proposed amendment (Annex B3) to the Society's By-laws to allow the Committee of Management (COM) to co-opt individuals onto the COM based on Section 59(11) of the Co-operative Societies Act.

Proposed by Mr Jaya Suresh and Seconded by Mr Jaykumar

Resolution No 4

That this 83rd Annual General Meeting of the society authorizes the Board of directors to appoint external auditors for 2019/2020.

Proposed by Mr Juraimi and Seconded by Mr M.Silvarajah

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 Farihullah S/O AW Safiullah
- 2) Mr Lim Whatt Chye
- 3) Mr Tan Eng Lam

There was no contest for the three vacancies and all the three above-mentioned Three(03) nominees were duly elected to serve as Directors with the other Five(05) Directors in the Board to meet once a month to deliberate on the proper management of the Customs Credit Co-operative Society (S) Ltd.

Under By-Law 18.1 (a), CCCS shall have not less than 7 but not more than 11 members elected to serve as Board Directors.

The Hon. Secretary, P.Namasivayam brought to the attention of the General Body that two nominations to stand for election were received two days after the closing date of the nomination (despite calling for nomination one month earlier through official circular) but was received by our Office Clerk for consideration of the Board. Our Office Clerk received the nomination out of courtesy even though she is aware that we should not accept any nomination after closing date & sealing of the nomination box.

However, one of the two nominees queried the Hon. Secretary via e-mail whether the Board has instructed the office clerk not to accept any nominations after the closing date of nomination. A reply was sent to the co-op society member informing him that our office clerk was aware of the instruction but accepted the nomination rather than discourteously turning down the nominations.

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 2019/2020. The resolution was passed on the Proposal by Mr Juraimi and Seconded Mr Silvarajah.

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.


VIEWS/QUERIES FROM MEMBERS PRESENT

Mr M. Silvaraja, Mr V.P.Krishna and Mr Othman Ani spoke in support of our co-operative society and said that they have benefitted greatly from our co-operative society over the years. They were optimistic that we will overcome the current difficult times and hopeful of getting good dividends at the future AGMs.

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