



Customs Credit
Co-Operative Society (S) Ltd

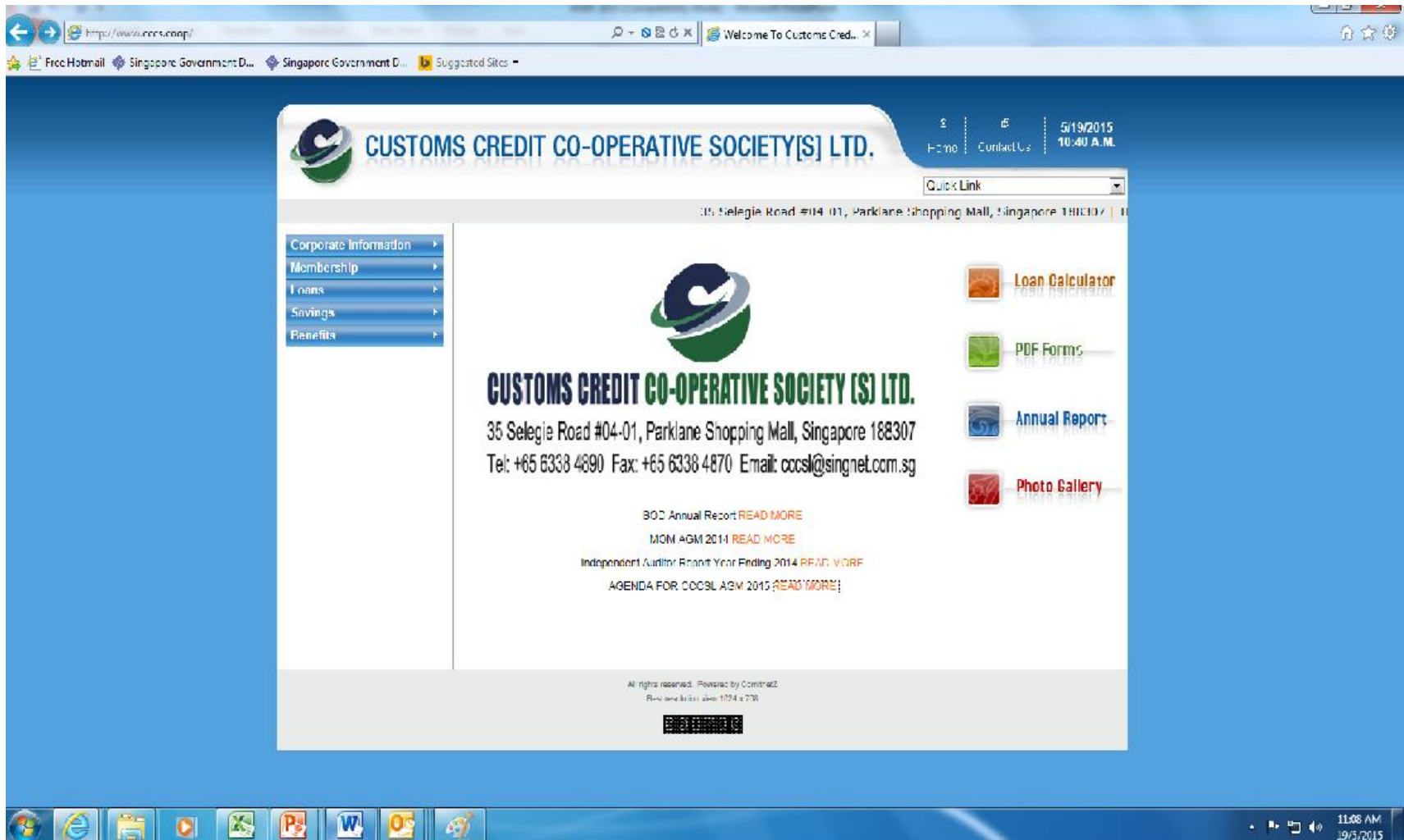
Founded 12 April 1932

Welcome
to

84th Annual General Meeting

29 Aug 2020

CCCS Website



Portfolio

	As at Dec 2018	As at Dec 2019
Membership	690	652
Share Capital	\$83,000	\$77,500
Restricted Investments	\$1,224, 129	\$694,773
General Reserve	S\$457,269	S\$457,269
Total Assets	\$7,003,834	\$6,429,016



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Compliance with Registrar's Prudential Requirements

	2018	2019	Registrar Requirement:
MLA (liquid Asset / Total Deposit)	47.14%	62.2%	15%
<u>CAR</u> (Institutional Capital / Total Assets)	0.1%	-2.6%	Minimum 8% to be raised to 10% in July 2021
RI (Restricted Investment/Total Asset)	17.5%	10.8%	*10%
To attain the Prudential Requirements. - CAR – To attain by focussing on increasing loans and thereby increasing revenue	RI- To sell or reduce stocks @ right value		

Financial Performance

	2019	2018	2017	2016
Gross Profit	610,908	650,449	509,965	380,130
Net Profit	*37,039	*229,340	<u>(696,082)</u>	177,137

***Net asset Value: 2018: - \$198,367; 2019: -\$164,693**

As at 31 Dec 2019, the co-op's net assets is -\$164k. Net assets = assets - liabilities (and liabilities include share capital and members' deposits). This means that based on audited report that it is estimated that Coop able to cover 97% of member's deposits

- Reasons for the negative asset:
 - Written off : Impairment loss on investment securities \$178,743; Loss on Fair value investment securities \$208,573 .
 - Total \$387,416



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Financial Performance

- As at 31 Dec 2019, the co-op's capital adequacy ratio (CAR) is **-2.6%**. This means that the co-op does not **any** buffer to absorb unanticipated losses which may arise from its operations or investments. The Registry's prudential requirement for credit co-ops is minimum 8% (and this will be raised to 10% in July 2021).



Financial Performance

- Proposed plan to recover in 3 to 4 years:
 - ✓ Expected net profit \$80,000. Based on market analysis, COM is of the view that the 3 stocks we hold prices have declined and likely to rise when the economy improves in a post pandemic environment. Hence the impairment ratio will be not high as before. Based on this COM holes to recover the losses in 3- 4 years.



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Subscriptions / Loans

	Loan	Thrift Saving	General Saving
2015	\$1,571,069	\$5,898,890	\$1,451,257
2016	\$1,694,719	\$5,962,967	\$1,509,140
2017	\$1,519,103	\$5,601,678	\$1,593,535
2018	\$1,390,284	\$5,433,123	\$1,668,418
2019	\$1,191,740	\$4,807,000	\$1,657,683



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Disbursement of Common Good Fund Since 2015

Yr	Disbursement
2015	\$18,220
2016	\$21,250
2017	\$20,311
2018	\$15,730
2019	\$21,950



Other Benefits:

➤ Travel Award to Members:

- More than 600 members have travelled



Dinner & Dance - October 2012 & October 2017



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Other Benefits:

➤ Dinner & Dance - October 2012 & October 2017



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Other Benefits:

- **Coop Wheel Venture**
 - **Yr 2011 – Kuantan, Malaysia**



- **Yr 2012 – Trengganu, Malaysia: 5-7 Oct 2012**
- **Yr 2013 - Port Dickson & Malacca- Oct 2013**
- **Yr 2015 – Cameron Highland – 9-11 Oct 2015**

Initiatives / Strategies for the development of CCCS

- ✓ Managed to sell both units at \$1,160,000 (new)
- ✓ Move to less cost (non-CBD) area to lower operating cost (due to lower expected rental)
- ✓ Appealed to registrar for extent of membership to ICA. Had several meetings with registrar. Our appeal was not acceded due to current prudential requirement (PR) status and negative net assets position. Will continue to appeal upon improvement in PR. .
- ✓ 5 New members on Board, - New talents with new ideas
- ✓ Minimising external investment (New)



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New Development

Sold #04-01 at \$560,000 (Market price \$480,000)) and move intent to NON-CBD area to minimize cost for coop and travelling cost for members.

- The reasons for sale
 - The property has less than 60 years, the value is expect to drop further.
 - Need to continue payment of sinking fund for the maintenance and management of the property by MCST.
 - Cost of property in non-CBD area is much lesser.

Contingency plan:

- Temporarily rented #04-01 for 2 years at \$2,200) for till get new property when coop get into better position.
- New property could be purchased by CCCS from available funds or seek bank loan if funds are not sufficient/available.



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Future Financial Performance

A. Market Volatility and uncertainty.

- To protect members' interests given the co-op's financial position, Registry has proposed the following measures

Stop new members

Cap interest rate for specific deposits to 0.1%

Stop new specific deposits

Reduce monthly subscription to nominal sum (e.g. \$5)

Impose restrictions on new loans granted:

1. must have government check-off arrangement
2. cap loan tenure of unsecured loans to 3 years
3. no exceptional unsecured loans
4. cannot grant education, medical and renovation loans under separate loan limits

CCCS Aim:

To further reduce operational expense

Promote Loans

Post Covid 19 Recovery and stable market and profitability.

Premier Training reported 1 million plus turnover in CCCSLI. Hence there is possibility of revaluing our shares in CCCSLI

NEW INITIATIVE

To Generate & Sustain More Income

- Grant loans in accordance with Registrar's Written Directions
- Investment according to registrar written direction.

SOP FORMED TO FOLLOW NEW GUIDLINES ON LOAN

Current Status on granting unsecured loan

4 times salary / \$20,000 max

NEW INITIATIVE

Associate / Family Membership



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APPLICATION FOR ADMISSION (By-law 5)

Date Approved : _____

Signature of
Chairman : _____

Reg. No: _____

A/c No: 922 341840 2

THANK YOU

