

84TH AGM HELD ON 12TH SEPTEMBER 2020

The 84th AGM was held by electronic means on Saturday, 12th September 2020 at 1030 hours. The President of the society, Mr Lim Boon Wee (DS Education) chaired the meeting. Fifty-five valid proxy forms were received by the closing date on 4th September 2020. The quorum needed was thirty. The quorum for the meeting was met. Thirteen members who did not submit their proxy forms joined in to view the proceedings.

The Chairman's address

Good morning members, and welcome to the 84th Annual General Meeting of The Singapore Teachers' Co-operative Society, which is being held in an electronic format. I have with me at this 84th AGM, the chairman of the society, Mr Richard Zaccheus, Honorary Treasurer, Mr Fok Kim Fook and the CEO, Mr Teo Chor Kai.

The year 2020 has been a tumultuous year, with the disruption brought about by the COVID-19 pandemic. For the first time since its existence, the society could not conduct its Annual General Meeting (AGM) in a physical form.

And so, as advised by the Ministry of Culture, Community and Youth (MCCY), the society has to hold its AGM via electronic means. The MCCY has also provided guidelines on how this virtual AGM could be conducted. Co-operative societies would need to abide by these guidelines when conducting their AGM.



The **essential guidelines** have been incorporated in the Important Notes for Ordinary members, which have earlier been disseminated to members. Allow me to list some of these guidelines before we proceed with the agenda items for this meeting.

1. Due to the current COVID-19 situation in Singapore, members will not be able to attend the Annual General Meeting (AGM) in person. Adhering to the guidelines issued by the Registry of Co-operative Societies on Alternative Arrangements for the Conduct of Meetings for Co-operative Societies, a member is deemed to be present at a meeting if the member has appointed the chairman of the meeting as his/her proxy to attend the meeting. The members may participate at the AGM by:
 - (a) Attending or observing and listening to the AGM proceedings by electronic means;
 - (b) Submitting matters that they wish to raise in advance of the AGM; and
 - (c) Appointing the chairman of the meeting to attend, speak and vote on his behalf at the AGM.

2. Members therefore need to download a proxy form which would contain the various resolutions which the society needs to pass and also to vote on the candidates that they wish to be elected to serve in the Committee of Management. The proxy form has to be either posted or emailed to the society as prescribed in the Important Notes for Ordinary Members.

The voting on the resolutions and the election of candidates would need to be verified and counted prior to the AGM. The chairman of the AGM would then announce the results.

These changes to the voting process also meant that it would not be possible to ensure voting is secret, but there would still be measures to ensure a fair voting process with checks put in place to properly account for the votes cast, for which I must thank the Returning Officer, Mrs Brenda Tan and independent non-members of the society, Mr Sam Lam, Ms Chow Fong Leng and Mr Phua Chin Hong, the society's Internal Auditor, for their assistance to help ensure the vote counting was done properly.

- 3. The quorum for the meeting** – A member is deemed to be present if the member has appointed the chairman of the meeting as the member's proxy to attend, speak and vote at the meeting, and the relevant quorum requirements are to be determined by the voting instructions and proxies submitted by the members prior to the AGM. The quorum for this meeting is 30.

As 55 valid proxy forms were received, we therefore have the necessary quorum to proceed with the meeting proper.

For today, I understand that there are quite a few members who are viewing this AGM live. Thank you for taking the time to join us for this AGM.

Let me now get into my Address.

In 2019, the Singapore economy grew by a mere 0.7% down from the 3.1% in 2018. It slumped particularly in the last month of the year and the growth was the slowest in a decade. While expecting a rebound in 2020, we were all hit with the COVID-19 pandemic in the beginning of 2020, which has in a few short months become a global pandemic, affecting the world's economic growth greatly. No country has been spared. It is projected that Singapore would possibly be registering a negative growth rate of as much as minus 6% for 2020.

To help prevent the spread of the virus, governments all over have introduced restrictive measures for their citizens. Among the measures are safe distancing, wearing of masks and working from home. A new normal of life has evolved, and is still evolving, and we will have to brace ourselves for a long period of uncertainty and disruption, until a vaccine is widely available. This is not just a public health crisis, but also an economic and social crisis.

And things are unfortunately made worse by the on-going trade war between the two great economic powers, namely China and the United States.

All these developments will have adverse impact on the society's financial performance, and on its loans and investments.

Impact on Loans

The amount of loans disbursed as at end July 2020 was reduced by around \$2 million compared to the same period in 2019.

Impact on Investment

Owing to the uncertainties and turbulence in the stock market, the Investment Committee held on to the stocks at hand; there was no reason to do any panic sale, as the intention was to hold on to these stocks for the long term. However, the Investment Committee did purchase some bonds with coupon rates better than that paid by banks for fixed deposits. Hopefully, this would help mitigate the drop in loan interest received in 2021 and thereafter.

Impact on Membership

The number of members as at end July 2020 was 4,286, a decrease of 41 compared to end December 2019 (4,327). As it is currently not possible to do any membership promotion in schools, the main membership effort would be to reply on the 'member get member' method. The society is maintaining its cash incentive reward of \$30/- for the proposer and \$15/- for the seconder for every member recruited until 31st December 2020. I would urge existing members to do your part to help recruit new members.

Maximum Liability (\$75 million)

The society's liabilities increased from \$65 million. This is the first increase in liabilities after a period of more than two years when the liabilities had remained at \$65 million. This increase is a good indication that members have trust in the society and are putting more monies as deposits, and also an indication that they can get better returns from their deposits with the society than from the banks or financial institutions. The COM would have to continue to ensure that the monies entrusted with the society generates decent returns for the members.

Term Deposit Rates

The society had a two-tier deposit rate paying 1.6% p.a. for amount \geq \$10,000.00 and 1.4% for amount $<$ \$10,000.00 at the start of the year, but the steady decrease in banks' fixed deposit rates in the past few months had left us with little choice but to drop the society's Term Deposit rates. The society first consolidated the two rates into one and paid 1.4% p.a. for its Term Deposit irrespective of the amount, with a minimum of \$500.00, with effect from May 2020. This was further reduced to 1.2% p.a. with effect from 1st September 2020 when bank fixed deposit rates dropped further. This rate is still higher than that offered by most of the banks and financial institutions on fixed deposits.

Common Good Fund

The policy and rule governing the Common Good Fund was reviewed and approved by the COM in 2019. Details were worked out and 843 members were paid a total sum of \$671,200. Members do not have to resign from service after their retirement to receive the benefit. Their dues were credited into their General Savings account in March 2019.

Performance of the Society

Amid all the uncertainties, we are glad that the society was able to register a healthy net profit in 2019 of \$1.13 million after the write-off of bad loans and impairment. This was nearly \$400,000 more than that registered for 2018.

In view of the better performance, the society had recommended a dividend rate of 8% and 4% on loan interest rebate to reward members, or 1% point higher respectively than the rates paid in 2018. I will announce the result of this recommendation later when we go through the resolutions.

Information Technology

In order to serve the members with greater efficiency, the society has continuously upgraded its IT system by upgrading its software as well as its hardware. For the year 2020, it has replaced all its existing computers with new ones running on Windows 10. Notices and important news are now e-blasted to members, thus saving printing on paper, and is better for the environment.

Going Paperless

More members are using the internet to connect with the society. They do their withdrawal of savings and application of loans via the internet. For payment on savings withdrawal, most have opted for GIRO payment, thus doing away with the need for cheques, saving administrative workload for the society and savings on bank charges for cheque clearance. Currently, around 5% of payments are still made by cheques, but we should aim to go totally cheque-free in time to come.

Appointment of CEO and CFO

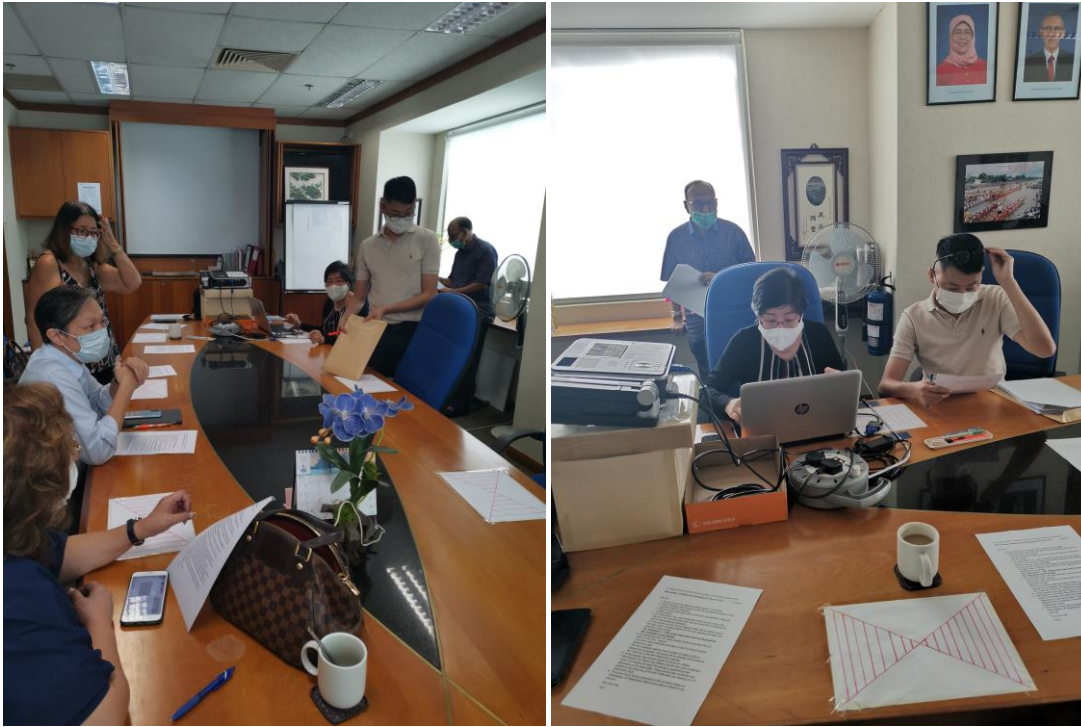
The amended Co-op ACT requires that a society appoints a Chief Executive Officer and a Chief Finance Officer to run the society. Mr Teo Chor Kai, who satisfies the minimum competency qualification recognised by MCCY was appointed as the society's Chief Executive Officer with effect from 1st November 2019. Likewise, Ms Jaise Choi was appointed as Chief Finance Officer (Designate), and would be appointed the Chief Finance Officer once she acquires the necessary qualifications as prescribed by MCCY.

Election to be a member of the Committee of Management

It is heartening to note that eight members had sent in their nominations for election to be a member of the COM. Four of them are incumbents, while another four are new. Five members who have the highest votes will be elected into the COM and will serve a three-year term from September 2020 to June 2023. I will announce the results later when we go through the resolutions.

Thank you.

I will now proceed with the next item on the agenda.



Resolutions

The following resolutions from 1 to 9 were adopted at the meeting by a simple majority except for resolution (7) which required a 75% or more for votes from the total valid votes.

Resolution 1: To confirm the minutes of the 83rd Annual General Meeting held on 25th May 2019.

Results:	
For	51
Against	1

The resolution was carried.

Resolution 2: To receive, and if approved, to accept the Report of the Committee of Management and the Audit Report for the year ended 31st December 2019.

Results:	
For	51
Against	0

The resolution was carried.

Resolution 3: To receive and if approved, to accept the Statement of Accounts for the year ended 31st December 2019.

Results:	
For	52
Against	0

The resolution was carried.

Resolution 4: To consider and approve the proposed 'Distribution of 2019 Surplus'. (Annex 4)

Results:	
For	53
Against	0

Dividend: 8%, Loan Interest rebate: 4%, Honorarium: \$55,000

The resolution was carried.

Resolution 5: To consider and approve the Adjustments for FY 2020 and Estimated Expenditure for FY 2021 for the society. (Annex 5)

Results:	
For	51
Against	1

The resolution was carried.

Resolution 6: To consider and approve the Maximum Liability of \$75 million for the year 2020, which the society may incur in loans and deposits from members and non-members, vide by-laws 9.11 and 9.12. (Annex 6)

Results:	
For	52
Against	0

The resolution was carried.

Resolution 7: To consider and approve the amendments to the society's by-laws.

Results:	
For	42
Against	10

Percentage For: 80.7%

Under the by-law, 5.10.3, amendments to society's by-laws may be passed only by a mandate of 75% of the members voting at a general meeting. The resolution was carried.

Resolution 8: To consider and approve the re-appointment of Yang Lee & Associates as the Internal Audit of the society for the period 2020 to 2022.

Results:	
For	50
Against	1

The resolution was carried.

Resolution 9: To consider and appoint Reanda Adept PAC (Ms Vivienne Chiang Kok Ying) as External Auditor for financial year 2020.

Results:	
For	49
Against	1

The resolution was carried.

Election to be members of the Committee of Management for period September 2020 to June 2023

The following five members who secured the highest votes from among the eight candidates were elected to the Committee of Management for the period September 2020 to June 2023.

They are:

1. Mr Koh Kian Neng
2. Mr Fok Kim Fook
3. Mdm Seah Ee Leng Elaine
4. Mr Tok Wei Cheng Allan
5. Mr Ho Boon Huat

Please click [here](#) to know more.