



STRAITS TIMES
CO-OP

2022 ANNUAL REPORT

**83rd ANNUAL GENERAL MEETING
VENUE: NEWS CENTRE AUDITORIUM
DATE: 31 JULY 2023
TIME: 6:30 PM**

CERTIFIED TRUE COPY

Serial No.81

C. No.32.

STRAITS SETTLEMENTS

Certificate of Registration
of the

Straits Times Press

Co-operative Thrift & Loan Society Ltd.

Singapore

Under Section 9 of Ordinance No.204
(Co-operative Societies), I, Leonard David
Gammans, Registrar of Co-operative Societies
Straits Settlements, hereby certify that

The Straits Times Co-operative Thrift
Loan Society is this day registered under Or
dinance No.204 (Co-operative Societies) and tha
this society is registered with liability.

The by-laws of the said society are a
this day registered.

Given under my hand this twenty first
of February, one thousand nine hundred and
thirty four.

L.D.Gammans

Seal

Registrar, Co-operative Socie
Straits Settlements.

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CORPORATE INFORMATION

COMMITTEE OF MANAGEMENT (COM)

| | | |
|------------------|-----------------------------|--------------------------------------|
| Chairman | : See Hwee Peng Stanley | (SPHTech Group) |
| Vice-Chairman | : Ang Hoe Kiat | (Fastco Asia) |
| Secretary | : Lei Ivy | (SPHTech Group) |
| Treasurer | : Phua Yin Sin | (Straits Times Co-operative Limited) |
| Committee Member | : Chan Yim Han Emily | (Marketing & Media Solutions) |
| | : Han Poh Tin | (Marketing & Media Solutions) |
| | : Latiff Bin Mohideen Ghani | (Production) |
| | : Ramoo Tharmaretnam | (Human Resources) |
| | : Tang Kah Yim Connie | (SPHTech Group) |
| | : Yong Chwee Choo Joyce | (Marketing & Media Solutions) |

INVESTMENT COMMITTEE (IC)

| | |
|---------------|-------------------------|
| Chairman | : See Hwee Peng Stanley |
| Vice Chairman | : Ang Hoe Kiat |
| Secretary | : Lei Ivy |
| Treasurer | : Phua Yin Sin |

AUDIT COMMITTEE (AC)

| | |
|----------|-----------------------------|
| Chairman | : Han Poh Tin |
| Members | : Latiff Bin Mohideen Ghani |
| | : Ramoo Tharmaretnam |

EXTERNAL AUDITOR

CLA Global TS Public Accounting Corporation
(formerly Nexia TS Public Accounting Corporation)
80 Robinson Road, #25-00
Singapore 189702

REGISTERED OFFICE

1000 Toa Payoh North
News Centre
Singapore 318994

AGENDA

NOTICE IS HEREBY GIVEN that the 83rd Annual General Meeting of Straits Times Co-operative Limited, will be held at News Centre Auditorium, 1000 Toa Payoh North Singapore 318994 on Monday, 31 July 2023 at 6.30pm for the following purposes: -

- 1 To consider and confirm the Minutes of the 82nd AGM held on 21 June 2022. **Resolution 1**
- 2 To receive and adopt the Committee of Management (COM) Report and audited Statement of Accounts for the period 1 January to 31 December 2022. **Resolution 2**
- 3 To approve the proposed appropriation for the year ended 31 December 2022 as follows: **Resolution 3**

| | S\$ |
|--|---------|
| a) Central Co-operative Fund – 5% (2021: 5%) | 18,731 |
| b) Central Co-operative Fund – 20% (2021: 20%) | - |
| c) Honorarium to COM | 17,580 |
| d) Common Good Fund | - |
| e) 1.57% Dividend on Subscription at 31.12.2022 (2021: 2.5%) | 337,651 |
| f) To Accumulated Fund | 658 |
| Gross Profit for the year | 374,620 |
- 4 To approve the estimated expenditure for 2023. **Resolution 4**
- 5 To authorised the COM to appoint a professional audit firm, where necessary, to be External Auditor of the Co-operative for 2023/2024. **Resolution 5**
- 6 To elect up to 11 individuals to the COM for a term of 3 years from 83rd to 86th AGM. **Resolution 6**
 - Nomination of individuals for election to the COM took place from 1 March 2023 to 28 April 2023.
 - The Co-operative received 9 nominations for the 11 vacancies after nominations closed on 28 April 2023, therefore, no election is required.
- 7 To adopt, if approved the following resolution: **Resolution 7**

“That the general meeting authorises the COM to invest up to 30% of the Co-operative’s total assets in restricted investments, for a period of 3 years from FY2023 to FY2026. Following the approval of members, the COM will seek final approval from the Registrar.”
- 8 To transact any other business in respect of which notice has been received by the Secretary three working days before the Meeting. **Resolution 8**

For and on behalf of the COM



Lei Ivy
Secretary

Important Notes

- (1) Please see our Annual Report at [2022 Annual Report](#).
- (2) This AGM is a closed event and strictly for members only.
- (3) **Dividends will be credited into members' bank accounts one (1) week after the AGM.**
- (4) Bento box will be provided to members who pre-registered to attend the AGM.
- (5) Kindly pre-register if you wish to attend the AGM as this will allow us to cater the bento box for you and avoid food wastage.

[Pre-Registration and Questions](#) [Website](#)

MINUTES OF THE 82ND ANNUAL GENERAL MEETING


Minutes of the 82nd Annual General Meeting of members held on 21 June 2022 via Zoom Online Webinar at 7:00pm.

PRESENT: 57 members (via proxy forms)

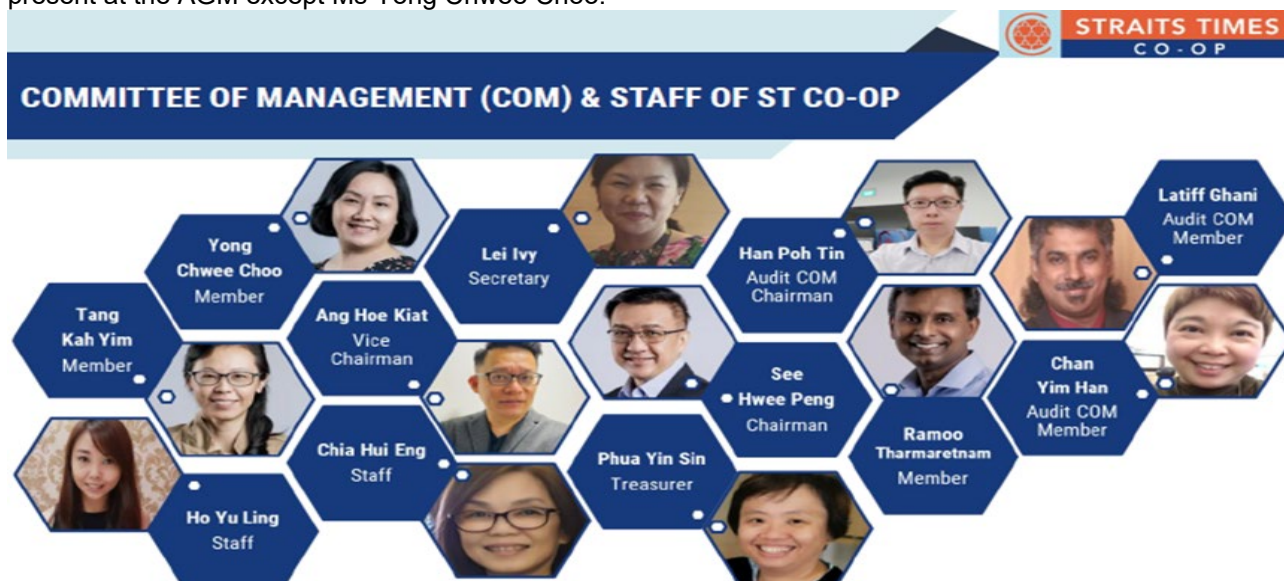
There being a quorum, the meeting commenced at 7.05p.m.

1. Opening Address by Chairman, Mr See Hwee Peng Stanley

- 1.1. The Chairman opened the session by welcoming and thanking attendees for taking time to attend the 82nd AGM of the Straits Times Co-operative ("ST Coop").
- 1.2. This year's AGM took on a similar format as last year where we make the necessary adjustments to ensure we comply with the relevant regulations under COVID19 Temporary Measures Act 2020, that provides us this alternative meeting arrangement for the delivery of the AGM formal proceedings to be conducted through electronic means. This is ST Coop's 3rd AGM held virtually.
- 1.3. In addition to the notice of the AGM that was published, members had been given access to the AGM documents on 30 May 2022 which included the necessary materials and write-ups for each of the resolutions.
- 1.4. Members were invited to submit questions they might have on any resolutions and asked to submit their votes on the resolutions prior to the AGM by way of a proxy form and also to appoint the Chairman of the meeting to vote on their behalf.
- 1.5. This being an Electronic AGM, the Chairman acknowledged to this group of members who were electronically present that they had been verified by the Coop Secretary to attend this Electronic AGM in addition to the list of members who had earlier appointed him as the Chairman of the meeting as their proxy to attend, speak and vote at this AGM.
- 1.6. The Coop Secretary had informed the Chairman that we had sufficient quorum to conduct the business of this AGM.
- 1.7. The Chairman presented the Agenda of the AGM.

| AGENDA | | 82 nd ANNUAL GENERAL MEETING |  STRAITS TIMES CO-OP |
|--------|--|---|--|
| 1 | To consider and confirm the Minutes of the 81 st AGM held on 23 June 2021 and the EGM held on 25 November 2021. | | |
| 2 | To receive and adopt the Committee's Report and audited Statement of Accounts for the period 1 January to 31 December 2021. | | |
| 3 | To approve the proposed appropriation for the year ended 31 December 2021. | | |
| 4 | To approve the estimated expenditure for 2022. | | |
| 5 | To authorise the COM to appoint professional audit firm, where necessary, to be External Auditors of the Co-operative for 2022/2023. | | |
| 6 | To consider any other matters arising. | | |

- 1.8. The Chairman introduced the Committee of Management (“COM”) and staff of ST Coop, all of whom were present at the AGM except Ms Yong Chwee Choo.



- 1.9. Chairman reported that 2021 had been a challenging year with unfavourable market conditions resulting in the performance for the year being much lower compared to 2020.
- 1.10. The Chairman invited Coop Treasurer Ms Phua Yin Sin to further elaborate on the 2021 Results, Membership and Investment Overview.

2. 2021 Results

- 2.1. Treasurer Ms Phua Yin Sin opened by saying that the Year 2021 was a challenging one filled with frustrations due to the ups and downs of the Covid restrictions. But the ST Coop has stood by the members through the difficult period.
- 2.2. The Treasurer proceeded to share the key highlights of the ST Coop results, with reference to the 2021 Annual Report pages 25 to 57.

| 2021 RESULTS | | OVERVIEW | |
|---|--|-------------------|-------------------|
| Comprehensive Income (all in S\$) | | As at 31 Dec 2021 | As at 31 Dec 2020 |
| Total Income | | 1,439,471 | 2,468,118 |
| Total Expenditure | | (1,191,317) | (1,378,504) |
| Surplus before Contribution | | 248,154 | 1,089,614 |
| Contribution to Central Co-operative Fund | | (12,408) | (117,923) |
| Net Surplus after Contribution | | 260,746 | 971,691 |
| Dividend 2.5% (2020: 2.5%) | | (505,785) | (448,367) |
| Balance Sheet (all in S\$) | | As at 31 Dec 2021 | As at 31 Dec 2020 |
| Total Assets | | 64,671,778 | 69,279,249 |
| Total Liabilities | | (52,204,394) | (55,499,407) |
| Net Assets / Total Funds | | 12,467,384 | 13,779,842 |
| Capital Adequacy Ratio (CAR) – 10% | | ▲ 0.7% | 14.3% |
| Minimum Liquid Assets (MLA) Ratio – 15% | | ▼ 8.6% | 61.8% |
| | | | 13.6% |
| | | | 70.4% |

2.3. On Comprehensive Income

- Total Income had decreased by \$1m mainly due to significant reduction in interest income from
 - coupon interest from bonds,
 - interest from bank deposits and
 - dividends from equities as most companies had lesser to distribute as Covid has significantly disrupted business revenues.
- Total Expenditure reduced by \$187k as a result of a reduction in interest payable on specific deposits due to reduction of members funds.
- Overall, our surplus before contribution has dropped by \$841k when compared to 2020.

2.4. On the Balance Sheet

- Total Assets had reduced by \$4.6m, contributed by a reduction in cash of almost \$5.3m (as we have returned significant amounts back to members due to termination, retirement or resignation) and this was slightly offsetted by an increase in our Financial Assets at FVOCI of \$700k.
- Total Liabilities had reduced by \$3.3m due to reduction in members' total savings during the year due to termination, retirement or resignation.

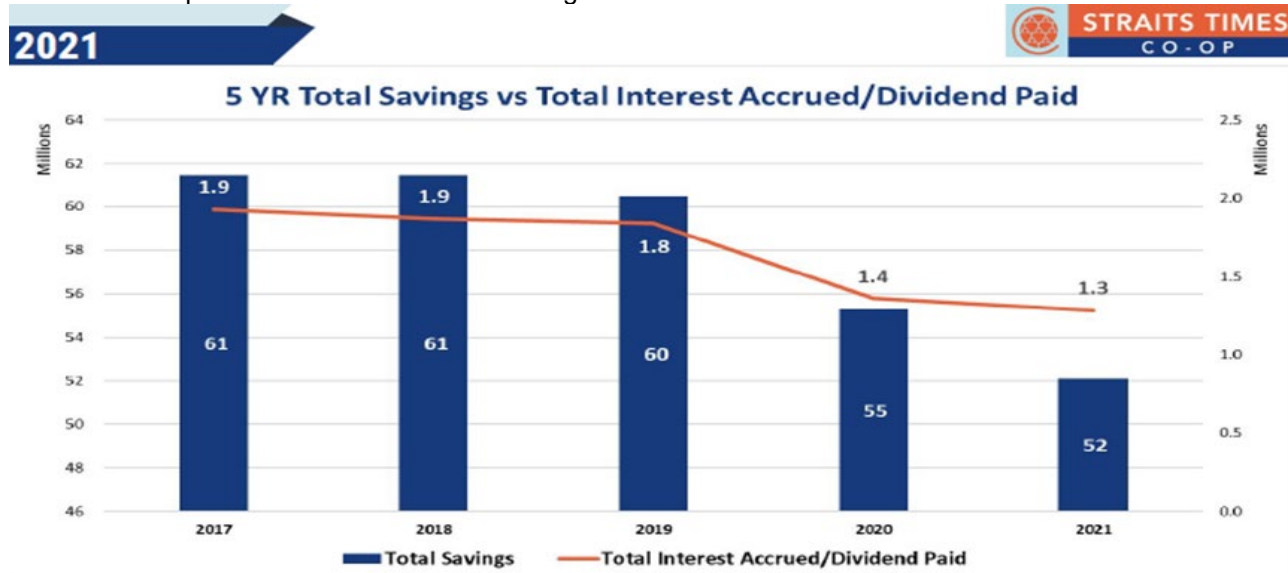
2.5. On Capital Adequacy Ratio (CAR) and Minimum Liquid Assets Ratio (MLA)

- In 2021, our CAR was 14.3%, a 0.7% increase as compared to 2020. Our MLA was 61.8%, an 8.6% decrease as compared to 2020. MLA had decreased as the Coop has increased its investment holdings under the Restricted Investments category which are generally considered less liquid in nature hence resulting in a decrease in MLA.
- The Investment COM hopes that by increasing investment holdings under the Restricted Investment category could help to improve the investment yield in the coming years.
- Both our CAR and MLA are well above the Registry of Co-operative Societies requirement of 10% and 15% respectively.

2.6. Overall, 2021 has been a challenging year and the performance for 2021 unfortunately due to unfavourable market conditions is much lower compared to 2020.

3. Membership Matters

3.1. The Treasurer presented Members Total Savings vs Total Interest Accrued/Dividend Paid.



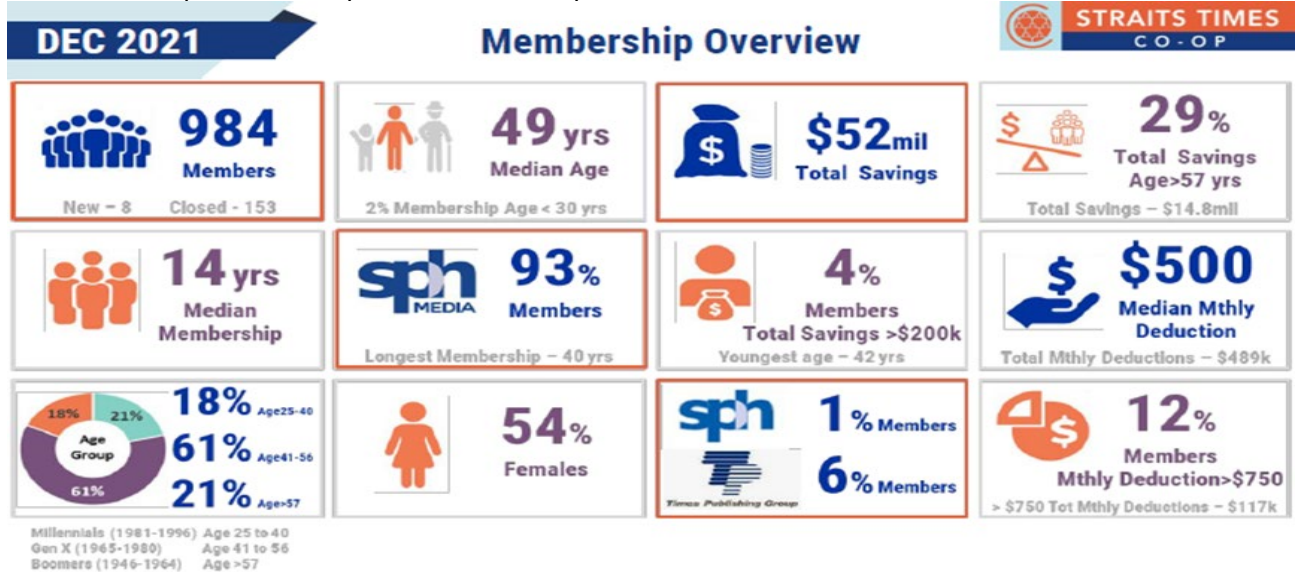
3.2. Members Total Savings as at Dec 2021 amounted to \$52m with \$1.3m in total interest accrued and dividends to be paid out.

3.3. The Treasurer explained that Members Totals Savings had reduced by \$3m in 2021 due to a reduction in total membership.

3.4. The membership tally as at 31 Dec 2021 was 984, and in 2020 it was 1,129.

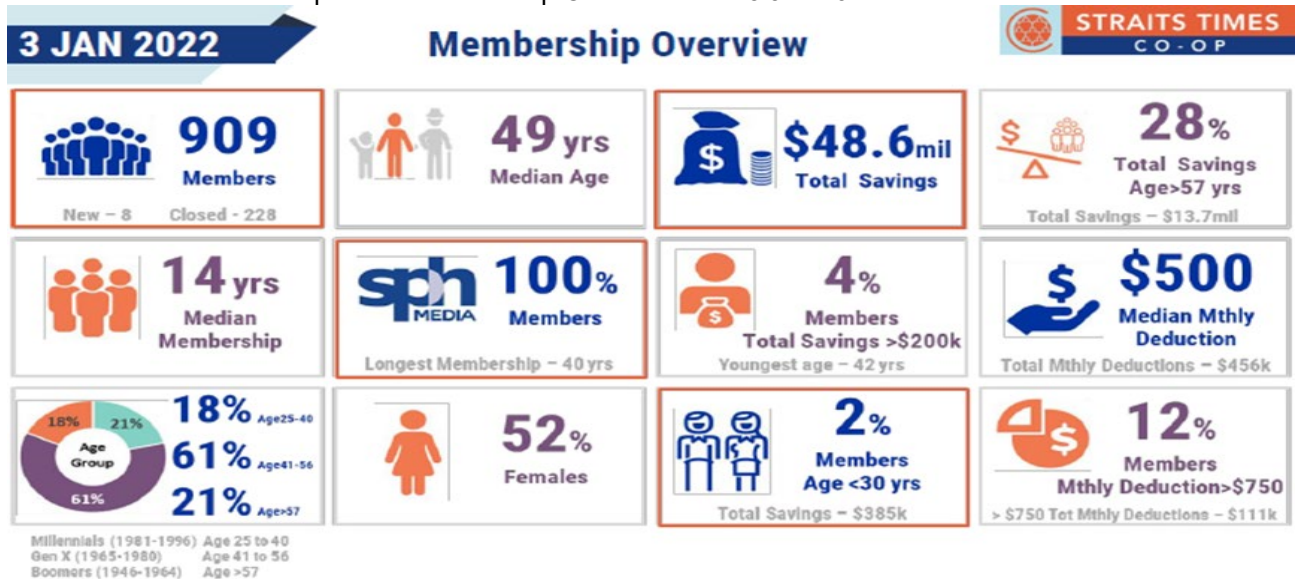
3.5. In 2021, 8 new members were admitted while 153 accounts were closed upon cessation of employment and/or upon retirement - a reduction of 145 membership accounts.

3.6. The Treasurer proceeded to provide Membership Overview as at December 2021.



- As at Dec 2021, our membership stood at 984 with \$52m in total savings.
- 93% of the members are from SPH Media, 1% from SPH Limited and 6% are from Times Publishing Group.
- Due to the restructuring of SPH Limited, an EGM was called on 25 Nov 2021 to approve the proposed amendments to the By-Laws of the Coop.
- With the proposed amendments approved by Members at the EGM called on 25 Nov 2021, members from both SPH Limited and Times Publishing Group were terminated effective 3 Jan 2022.

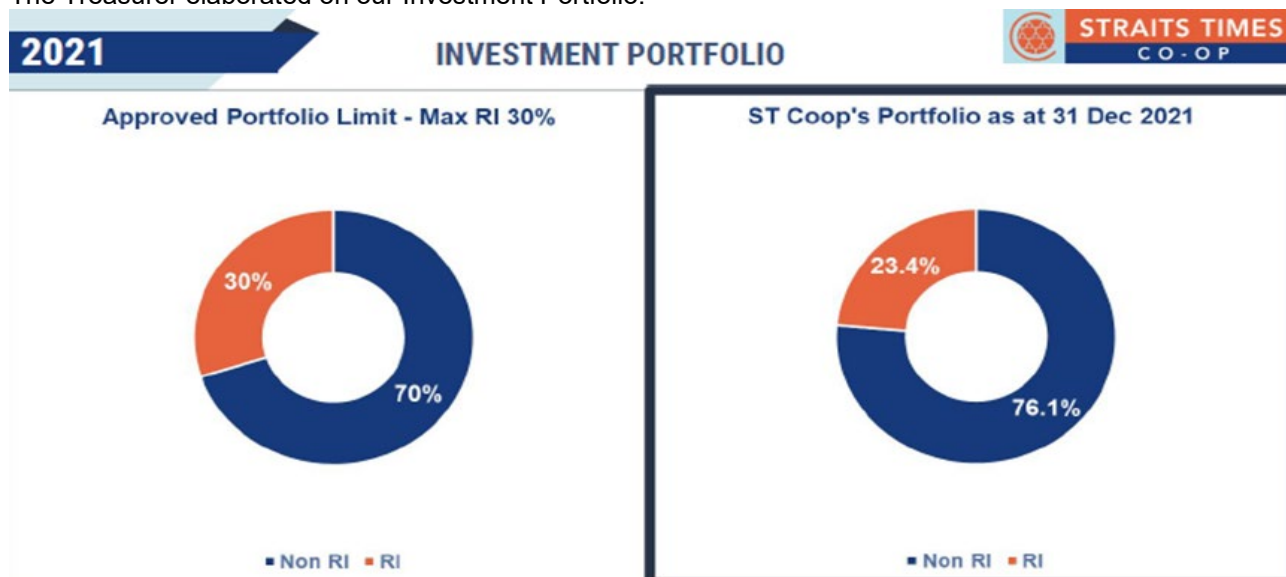
3.7. The Treasurer went on to provide Membership Overview as at 3 Jan 2022.



- As at 3 Jan 2022 our membership stood at 909 with \$48.6m in total savings.
- All of the members are now from SPH Media and the longest membership with ST Coop is 40 years.
- 52% of our members are females and the median age of our members is 49 years old.
- The median membership length is 14 years and the monthly median deduction is \$500.
- Close to 12% of our members are making monthly deduction of \$750 which is the maximum monthly deduction allowed.
- 21% of our members are aged greater than 57 years old and their savings represent 28% of the total savings of ST Coop.
- 4% of our members had total savings of more than \$200k and the youngest is aged less than 42 years old.
- 2% of our members are aged less than 30 years old and we do hope to attract more young Millennials to join the Coop in the coming years.
- The Treasurer added that we are glad our members have built up a nest for their retirement by saving with ST Coop.

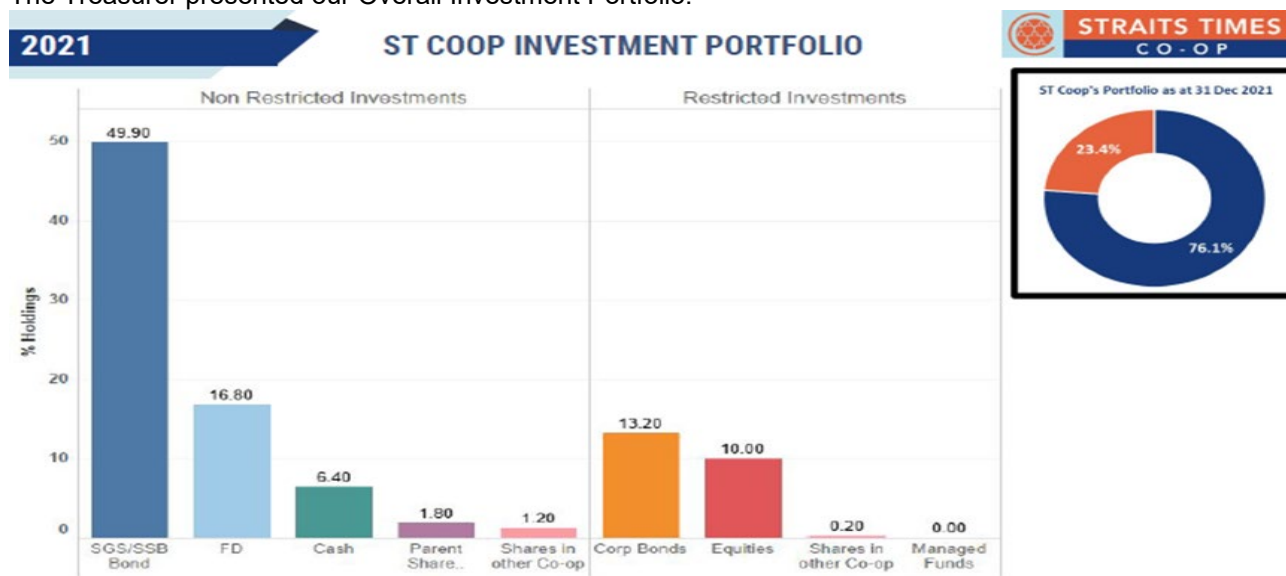
4. Investment Matters

4.1. The Treasurer elaborated on our Investment Portfolio.



- ST Coop's Investment Mandates are governed via the Written Directions on Investments dated 18 Nov 2013 issued by the Registry of Co-operative Societies.
- The Written Directions on Investments had provided that the default Restricted Investment limit (RI) be set at 10%.
- Our Coop, having met the additional conditions imposed under the Written Directions, has applied to the Registrar for a higher RI of 30% and was approved for the period from FY2020 to FY2023.
- This shall allow ST Coop to invest up to 30% of our investments in higher risk Sing dollar denominated products such as equities, corporate bonds and mutual funds. And the remaining 70% of our investments in low risk Sing dollar denominated products such as Fixed Deposits, Singapore Government Securities, Statutory Board Bonds such as HDB, LTA and NEA.
- The Singapore Government Securities with a AAA credit rating makes it one of the safest possible investments to hold and ensure our member's who have entrusted their hard-earned savings and interest to the co-operative that their monies are properly safeguarded.

4.2. The Treasurer presented our Overall Investment Portfolio.



- In FY 2021, for the proper safeguard of members' deposits, at least 76% of our investment holdings are held in Non-Restricted Investments.
- As seen in the chart, almost 50% has been invested in the Singapore Government Bond and/or Statutory Board Bonds.
- The remaining bulk or at least 26% has been placed in cash or cash equivalent as fixed deposit or cash.

4.3. The Treasurer moved on to present our Total Investment Performance.

2021 RESULTS

TOTAL INVESTMENT PERFORMANCE



| Income from Investments (all in S\$) | Income as at 31 Dec 2021 | Income as at 31 Dec 2020 |
|---|---------------------------------|---------------------------------|
| Restricted Investment (RI)* | 553,347 | 602,141 |
| Non Restricted Investment (Non-RI) | 940,667 | 2,009,658 |
| Total Income from Investment (A) | 1,494,014 | 2,611,799 |
| Investments Amount (all in S\$) | Fair Value as at 31 Dec 2021 | Fair Value as at 31 Dec 2020 |
| Restricted Investment (RI) | 15,150,720 | 12,807,645 |
| Non Restricted Investment (Non-RI) | 49,185,956 | 56,086,359 |
| Total Investments Amount (B) | 64,336,676 | 68,894,004 |
| Total Assets (C) | 64,671,778 | 69,279,249 |
| Returns on Total Investments (A/B) | 2.3% | 3.8% |
| Total Assets in Investments (B/C) | 99.5% | 99.4% |

* Income from equities includes gain/(loss) transferred to accumulated surplus upon disposal of equity investment in financial assets, at FVOCI.

- In the proposed 3-year investment plan for FY2020 to FY2023, the Investment Committee hopes to generate annual returns of at least 3% from investments.
- Overall, in FY2021, 99.5% of our assets were placed in investments and they have generated a 2.3% return, which is 1.5% lower than in 2020.

4.4. The Treasurer elaborated on Non Restricted Investment (Non-RI) performance.

2021 RESULTS

NON RESTRICTED INVESTMENT PERFORMANCE



| Non Restricted Investments (Non-RI) (all in S\$) | 2021 | | 2020 | |
|--|-------------------|----------------|-------------------|------------------|
| | Investment Amt | Income | Investment Amt | Income |
| Parent Shares | 1,165,000 | 30,000 | 565,000 | 12,500 |
| Statutory Board/ SGS Bond | 32,241,000 | 804,610 | 34,433,159 | 1,702,438 |
| Shares in other Co-op (invested after 30 Jun 2010) | 750,000 | 60,543 | 750,000 | 61,929 |
| Fixed Deposits | 10,874,568 | 45,276 | 17,256,763 | 226,672 |
| Cash & Cash Equivalent | 4,155,388 | 238 | 3,081,437 | 6,119 |
| Total | 49,185,956 | 940,667 | 56,086,359 | 2,009,658 |
| Returns on Non-RI (Income/Investment Amt) | 1.9% | | 3.6% | |

- As at Dec 2021, 76.1% of our investment portfolio was in Non-RI which provided us with 1.9% return in 2021, which was 1.7% lower than 2020.
- Majority of these Non RI products were Statutory Board or Singapore Govt Securities and Fixed Deposits which provided us with fixed interest income averaging between 1 to 1.75%.

4.5. The Treasurer proceeded to report on Restricted Investment performance.

2021 RESULTS

RESTRICTED INVESTMENT PERFORMANCE



| Restricted Investments (RI) (all in S\$) | 2021 | | 2020 | |
|--|----------------|---------|----------------|---------|
| | Investment Amt | Income | Investment Amt | Income |
| Shares listed on SGX * | 6,464,885 | 327,878 | 6,184,860 | 432,889 |
| Managed Fund/Unit Thrust | - | 3,391 | 600,555 | 10,129 |
| Corporate Bonds | 8,534,755 | 222,078 | 5,871,150 | 159,123 |
| Shares in other Co-op (invested after 30 Jun 2010) | 151,080 | - | 151,080 | - |
| Total | 15,150,720 | 553,347 | 12,807,645 | 602,141 |
| Returns on RI (Income/Investment Amt) | 3.7% | | 4.7% | |
| Total Assets | 64,671,778 | | 69,279,249 | |
| Restricted Investments (RI) approved | 30% | | 30% | |
| Approved RI @ 30% of Total Assets | 19,401,533 | | 20,783,774 | |
| Total Restricted Investments (RI) invested | 15,150,720 | | 12,807,645 | |
| RI as a % of Total Assets | 23.4% | | 18.5% | |

* Income from equities includes gain/(loss) transferred to accumulated surplus upon disposal of equity investment in financial assets, at FVOCI.

- As at Dec 2021, 23.4% of our investment was in Restricted Investment which is a 4.9% increase when compared to 2020.
- Overall, the Restricted Investment portfolio has provided us with 3.7% return in 2021. This was mainly contributed by higher interest income from Corporate Bond as our holdings in Corporate Bond had increased by almost \$2.6m in 2021.

2021 RESULTS

RESTRICTED INVESTMENT PERFORMANCE



| Asset Allocation for RI | Planned Allocation FY 2020 to FY 2023 | Actual as at 31 Dec 2021 | Actual as at 31 Dec 2020 |
|---|--|--|--|
| Shares listed on SGX | Up to Max 40% | 33.3% | 29.9% |
| Corporate Bonds issued in Singapore | Up to Max 50% | 44.0% | 28.4% |
| Managed Funds / Unit Trusts | Up to Max 10% | - | 2.9% |
| Shares in other Co-op (invested after 30 June 2010) | Remainder | 0.8% | 0.7% |
| Total | 100% | 78.1% | 61.9% |
| Generate annual returns of at least 3% and invest a further S\$7mil in FY 2021 to stay within the 30% (RI ratio) limit. All investments transactions will be approved by the Investment Committee. | | Annual return of 3.7% and an increase of S\$2.3mil investments in RI during FY2021. The targeted annual return of 3% was met. | Annual return of 4.7% and an increase of S\$3.3mil investments in RI during FY2020. The targeted annual return of 3% was met. |

- The investible funds in Restricted Investment must be invested based on the planned asset allocation as approved by members at the AGM held on 20 Jul 2020 which serve as the primary investment guidelines for Restricted Investments from FY2020 to FY2023.
- As at 31 Dec 2021, only 78.1% of the allowed investible fund has been invested into Restricted Investment products. The Investment COM had adhered strictly to the planned assets allocation as approved by members.
- As at 31 Dec 2021, the Restricted Investment had generated an annual return of 3.7% and had an increase of \$2.3m investments made in Restricted Investment during FY2021.
- All Restricted Investment transactions made during FY2021 has been approved by Investment COM.
- The targeted annual return of 3% for Restricted Investment in FY2021 was met.

4.6. The Treasurer wrapped up by saying that while 2021 was challenging, the next 2 years look set to be tough. Compounding the damage from the COVID-19 pandemic and global supply chain disruption, the Russian invasion of Ukraine has magnified the slowdown in the global economy, which is entering what could become a protracted period of feeble growth and elevated inflation, according to World Bank's latest Global Economic Prospects report for 2022. As such, returns from investments in 2022 are expected to be low.

5. Questions Raised via Proxy Forms

- 5.1. As part of the alternative arrangements, members were invited to submit questions that they have on any resolution via the AGM Pre-registration website between 30 May and 17 Jun 2022.
- 5.2. The Chairman reported he has been informed by the Coop Secretary that no questions has been received from members.

6. Formal Proceedings of Resolutions

- 6.1. The Chairman then went on with the formal proceedings of this meeting, indicating that this meeting has been called with due notice and we have sufficient quorum to conduct the business of this 82nd AGM.
- 6.2. He proceeded with the Agenda and ran through all the resolutions and responses for the 82nd Annual General Meeting of Straits Times Co-operative Limited. Refer to the Announcement of the Resolutions Passed based on the votes cast in the Appendix.

7. Resolution 1: To consider and confirm the Minutes of the 81st AGM held on 23 Jun 2021 and the EGM held on 25 Nov 2021. (Refer to the 2021 Annual Report pages 5 to 24 for details.)

- 7.1. The Chairman confirmed there were no questions received or matters raised on this resolution prior to the meeting and he declared the resolution unanimously passed.

8. Resolution 2: To receive and adopt the Committee's Report and audited Statement of Accounts for the period 1 Jan to 31 Dec 2021. (Refer to the 2021 Annual Report pages 25 to 57 for details.)

- 8.1. Chairman confirmed there were no questions received or matters raised on this resolution prior to the meeting and he declared the resolution unanimously passed.

9. Resolution 3: To approve the proposed appropriation for the year ended 31 Dec 2021. (Refer to the 2021 Annual Report page 58 for details.)

- 9.1. The Chairman confirmed there were no questions received or matters raised on this resolution prior to the meeting and he declared the resolution unanimously passed.

10. Resolution 4: To approve the estimated expenditure for 2022. (Refer to the 2021 Annual Report page 59 for details.)

- 10.1. The Chairman confirmed there were no questions received or matters raised on this resolution prior to the meeting and he declared the resolution unanimously passed.

11. Resolution 5: To authorise the COM to appoint a professional audit firm, where necessary, to be External Auditor of the Co-operative for 2021/2022.

- 11.1. The Chairman proposed the re-appointment of Nexia TS as the external auditors of the Co-operative for the financial year ending 31 Dec 2022 and that the COM be authorised to fix their remuneration.
- 11.2. The Chairman confirmed there were no questions received or matters raised on this resolution prior to the meeting and he declared the resolution unanimously passed.

12. Resolution 6: To transact any other business in respect of which notice has been received by the Secretary three working days before the Meeting.

- 12.1. The Chairman confirmed there were no questions received or matters raised on this resolution prior to the meeting and he declared the resolution unanimously passed.

13. AGM 2023

- 13.1. A survey had been conducted to assess Members' preference if AGM 2023 is to be held electronically or physically.

13.2. The Chairman announced that based on the results of the 57 votes cast by Members - 41 for electronic, 9 for physical and 7 abstained, AGM 2023 would be conducted electronically, if allowed by Registry of Co-operative Societies

14. Dividends

14.1. 2.5% Dividends on Subscription accounts as at 31 Dec 2021 shall be credited into members' bank accounts after 22 Jun 2022.

15. In Closing

15.1. On behalf of the COM members, the Chairman thanked everyone for their online attendance and their continued support for ST Coop.

15.2. He declared the closure of the meeting on a note for everyone to stay safe.

15.3. The online meeting ended at 7:30p.m.

Recorded by:



Lei Ivy
Secretary

Confirmed by:



See Hwee Peng Stanley
Chairman of Meeting

Appendix

ANNOUNCEMENT ON RESOLUTIONS PASSED AT THE 82nd ANNUAL GENERAL MEETING (AGM)

Straits Times Co-operative Limited ("ST Coop") is pleased to announce that at the 82nd AGM held on 21 June 2022, the Resolutions relating to the following matters as set out in the Notice of the AGM dated 30 May 2022 were put to the Meeting and duly passed on proxy vote:

| Resolution Number and Details | Total No of votes | For | | Against | | Abstain | |
|---|-------------------------|----------------|-----------|----------------|---|----------------|---|
| | | No of votes | % | No of votes | % | No of votes | % |
| Resolution 1 To consider and confirm the minutes of the 81 st AGM held on 23 June 2021 and EGM held on 25 Nov 2021. | 57 | 54 | 95 | 0 | 0 | 3 | 5 |
| Resolution 2 To receive and adopt the Committee of Management's (COM) Report and audited Statement of Accounts for the period 1 January to 31 December 2021. | 57 | 53 | 93 | 0 | 0 | 4 | 7 |
| Resolution 3 To approve the proposed appropriation for the year ended 31 December 2021 as follows: <div style="float: right; text-align: right;">S\$</div> a) Central Co-operative Fund – 12,408 5% (2020: 5%) b) Central Co-operative Fund – - 20% (2020: 20%) c) Honorarium to Committee of Management 16,350 d) Common Good Fund 50,000 e) Donation 6,000 f) 2.5% Dividend on Subscription 505,785 at 31.12.2021 (2020: 3%) g) From Accumulated Fund (342,389) <u>248,154</u> | 57 | 54 | 95 | 0 | 0 | 3 | 5 |
| Resolution 4 To approve the estimated expenditure for 2022. | 57 | 53 | 93 | 0 | 0 | 4 | 7 |
| Resolution 5 To authorise the Committee of Management to appoint a professional audit firm, where necessary, to be Internal Auditors of the Co-operative for 2022/2023. | 57 | 53 | 93 | 0 | 0 | 4 | 7 |
| Resolution 6 To transact any other business in respect of which notice has been received by the Secretary three working days before the Meeting | 57 | 54 | 95 | 0 | 0 | 3 | 5 |

COMMITTEE OF MANAGEMENT REPORT FOR FINANCIAL YEAR ENDED 31 DECEMBER 2022

To: The Members of Straits Times Co-Operative Limited

Ladies/Gentlemen

The Committee of Management (COM) is pleased to present the Annual Report, Statement of Accounts and Balance Sheet of the Co-operative for the period 1 January to 31 December 2022.

1. Results

The Co-operative recorded a gross profit of S\$374,620 (2021 profit was S\$248,154) for the year ended 31 December 2022. Profit came mainly from dividends from investments, interest from bonds and sales of quoted investment.

2. Dividends

During the year under review, dividends of 2.5% were paid to members in accordance with the Co-operative's by-laws amounting to S\$505,785 (2021: 3% - S\$448,366).

3. Membership

The membership as at 31 December 2022 was 858. During the year under review, 16 new members were admitted while 142 accounts were closed upon cessation of employment/membership and retirement.

4. Subscription

Subscription capital as at 31 December 2022 amounted to S\$21,506,442 (2021: S\$20,231,395), an increase of S\$1,275,047 over the previous year. The average monthly total subscription received during the year was S\$449,502 (2021: S\$513,997), or S\$524 per member (2021: S\$522).

5. Specific deposits

The balance in this account as at 31 December 2022 was S\$28,295,594. Interest of 2.5% amounting to S\$689,372 calculated on the balance as at 31 December 2022 had been credited to members' accounts.

6. Loan

For the year 2022, loans granted to members amounted to S\$6,380 (2021: S\$20,070), a decrease of S\$13,690 over the previous year.

7. Auditors

CLA Global TS Public Accounting Corporation (formerly Nexia TS Public Accounting Corporation) were the auditors for year under review and the audit fee was S\$9,000.

8. Common good fund

During the year, grants amounting to S\$27,820 were paid to members for study awards, loyalties bonus and funeral grants from the Co-operative's common good fund. The balance in this account as at 31 December 2022 was S\$100,516.

9. Investments

9.1. Restricted and Non-Restricted Investments performance

As at 31 December 2022, the Co-operative has S\$12,976,118 (22.0%) in Restricted Investments and S\$45,600,864 (77.3%) in Non-Restricted Investments, other assets including loans, fixed assets, intangible assets and other receivables, amounting to S\$405,766 (0.7%), the Co-operative has total assets of S\$58,982,748.

As at 31 December 2022, the Co-operative has a Minimum Liquid Assets (MLA) ratio of 65.6% (2021: 61.8%) and Capital Adequacy Ratio (CAR) of 15.9% (2021: 14.3%).

MLA and CAR ratio required by the Registrar of Co-operative Societies is 15% and 10% respectively.

| (All in S\$) | As at 31 December 2022 | | As at 31 December 2021 | |
|---|------------------------|-----------|------------------------|-----------|
| Restricted Investments (RI) | Investment Amount | Income | Investment Amount | Income |
| Shares listed on SGX ¹ | 6,338,993 | 712,309 | 6,464,885 | 327,878 |
| Managed Fund/Unit Trust | - | - | - | 3,391 |
| Corporate Bonds | 6,486,045 | 261,409 | 8,534,755 | 222,078 |
| Shares in other Co-op (invest after 30 June 2010) | 151,080 | - | 151,080 | - |
| Total | 12,976,118 | 973,718 | 15,150,720 | 553,347 |
| Returns on RI | 7.5% | | 3.7% | |
| | | | | |
| Non-Restricted Investments (Non-RI) | Investment Amount | Income | Investment Amount | Income |
| Parent Shares | - | (66,088) | 1,165,000 | 30,000 |
| Statutory Board/SGS Bond | 31,331,965 | 687,287 | 32,241,000 | 804,610 |
| Shares in other Co-operative | 750,000 | 55,543 | 750,000 | 60,543 |
| Fixed Deposits | 11,528,840 | 171,323 | 10,874,568 | 45,276 |
| Cash & Cash Equivalents | 1,990,059 | 1,293 | 4,155,388 | 238 |
| Total | 45,600,864 | 849,358 | 49,185,956 | 940,667 |
| Returns on Non-RI | 1.9% | | 1.9% | |
| | | | | |
| Total Investment/Total Income | 58,576,982 | 1,823,076 | 64,336,676 | 1,494,014 |
| Returns on Total Investments | 3.1% | | 2.3% | |

In the proposed investment plan for FY2020 to FY2023, the Investment Committee hopes to generate annual returns of at least 3.0%.

9.2. Restricted Investments (RI) limits

The default RI limit is 10%.

Based on the revised written direction dated 18 November 2013, Credit Co-operatives are allowed to apply to the Registry of Co-operative Societies for a higher RI limit of 20% to 30% subject to conditions imposed.

The Co-operative applied to the registry of Co-operative societies in May 2020 for the higher RI limit of 30% for a 3-year period from FY2020 to FY2023 or the Co-operative's Annual General Meeting date in 2023, whichever is earlier.

¹ Income from equities includes gain/(loss) transferred to accumulated surplus upon disposal of equity investment in financial assets, at FVOCI.

9.3. Asset allocation for Restricted Investment (RI)

The investible funds will be based on the following asset allocation as approved by members during the last Annual General Meeting held on 20 July 2020 will serve as the primarily investment guidelines for FY2020 to FY2023 and will be strictly adhered to.

| Restricted Investment (RI) | Planned Allocation FY 2020 to FY 2023 | Actual as at 31 Dec 2022 | Actual as at 31 Dec 2021 |
|--|--|--|---|
| Shares listed on SGX | Up to Max 40% | 36% | 33% |
| Corporate Bonds issued in Singapore | Up to Max 50% | 37% | 44% |
| Managed Funds / Unit Trusts | Up to Max 10% | - | - |
| Shares in other Co-op (invested after 30 June 2010) | Remainder | 1% | 1% |
| Total² | 100% | 74% | 78% |
| Generate annual returns of at least 3% and invest a further S\$4mil in FY 2022 to stay within the 30% (RI ratio) limit. All investments transactions will be approved by the Investment Committee. | | Annual return of 7.5% and a decrease of S\$2.1mil investments in RI during FY 2022. The targeted annual return of 3% was met. | Annual return of 3.7% and an increase of S\$2.3mil investments in RI during FY 2021. The targeted annual return of 3% was met. |

9.4. Proposed Asset Allocation for Restricted Investment (RI) from FY2023 to FY2026

If members approve the RI limit of 30% for a period not exceeding 3 years from FY2023 to FY2026, the investible funds will be based on the following asset allocation:

| Restricted Investment (RI) | Proposed FY2023 to FY2026 |
|---|---------------------------|
| Shares listed on SGX | Up to Max 60% |
| Corporate Bonds issued in Singapore | Up to Max 70% |
| Managed Funds / Unit Trusts | Up to Max 10% |
| Shares in other Co-op (invested after 30 June 2010) | Up to Max 10% |
| Total³ | 100% |

With the proposed investment plan, the Co-operative hopes to generate annual returns of at least 3%. As such, the Investment Committee intends to invest a further \$4mil in the coming Financial Year to stay within the RI limit of 30%.

The plan, if approved by members, will serve as the primary investment guideline for the period from 1 July 2023 to 30 June 2026 and will be strictly adhered to. All investments transactions will be approved by the Investment Committee.

² The total 100% of planned allocation is based on 30% of Total Assets.

³ The total 100% of planned allocation is based on 100% of Total Restricted Investment Amount.

10. Corporate governance

10.1. Attendance of Committee of Management

During the year, the Committee of Management held twelve meetings for the period January to December 2022. The attendance of each committee at every meeting is as follows:

| Name | Position | No of Meeting | |
|--|------------------|---------------|----------|
| | | Held | Attended |
| See Hwee Peng Stanley | Chairman | 12 | 12 |
| Ang Hoe Kiat | Vice Chairman | 12 | 12 |
| Lei Ivy | Secretary | 12 | 11 |
| Phua Yin Sin | Treasurer | 12 | 12 |
| Chan Yim Han Emily | Committee Member | 12 | 12 |
| Han Poh Tin | Committee Member | 12 | 12 |
| Latiff Bin Mohideen Ghani | Committee Member | 12 | 11 |
| Ramoo Tharmaretnam (Co-opted on January 2022) | Committee Member | 12 | 12 |
| Tang Kah Yim Connie | Committee Member | 12 | 12 |
| Yong Chwee Choo Joyce | Committee Member | 12 | 11 |

10.2. Audit Committee

The Audit Committee's terms of reference were expanded to review:

- With the internal and external auditors, the audit plans and audit reports;
- The assistance given by the officers of the credit co-op to the auditor;
- The scope, results and effectiveness of the audit procedures.

10.3. Attendance of Audit Committee

In 2022, the Audit Committee held one meeting:

| Name | Position | No of Meeting | |
|---------------------------|----------|---------------|----------|
| | | Held | Attended |
| Han Poh Tin | Chairman | 1 | 1 |
| Latiff Bin Mohideen Ghani | Member | 1 | 0 |
| Chan Yim Han Emily | Member | 1 | 0 |

11. Appreciation

The Committee of Management would like to express their appreciation to the staff for their dedication and commitment to work and to members for their continued support and co-operation.

For and on behalf of the COM



Lei Ivy
Secretary

Straits Times Co-operative Limited
(Registered under the Co-operative Societies Act 1979)
(Incorporated in the Republic of Singapore)
(Unique Entity No.: S34CS0024G)

**Annual Report for the financial year ended
31 December 2022**

**Management Committee's Statement
for the financial year ended 31 December 2022**

The Management Committee present their statement to the members of the Straits Times Co-operative Limited (the "Co-operative") together with the audited financial statements for the financial year ended 31 December 2022.

In the opinion of the Management Committee,

- (a) the financial statements as set out on pages 24 to 47 are drawn up so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2022, and of the financial activities, changes in accumulated funds and cash flows of the Co-operative for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they fall due;
- (c) the receipts, expenditure, investment of monies and acquisition and disposal of assets by the Co-operative during the financial year ended 31 December 2022 have been made in accordance with the provisions of the Cooperative Societies Act 1979 (the "Act") and the By-laws of the Co-operative; and
- (d) proper accounting and other records have been kept by the Co-operative.

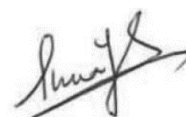
On behalf of the Management Committee



.....
See Hwee Peng
Vice-Chairman



.....
Lei Ivy
Secretary



.....
Phua Yin Sin
Treasurer

5 May 2023

Independent Auditor's Report to the Members of Straits Times Co-operative Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Straits Times Co-operative Limited (the "Co-operative") which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in members' fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 24 to 47.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979 (the "Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the Co-operative as at 31 December 2022 and of the financial activities, changes in accumulated funds and cash flows of the Co-operative for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Co-operative in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believed that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Management Committee's Statement as set out on page 20.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

**Independent Auditor's Report to the Members of
Straits Times Co-operative Limited (continued)**

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

The management's responsibilities include overseeing the Co-operative's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent Auditor's Report to the Members of
Straits Times Co-operative Limited (continued)**

Report on Other Legal and Regulatory Requirements

Opinion

In our opinion, proper accounting and other records have been kept by the Co-operative have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention to cause us to believe that the receipts, expenditure, investments of monies and acquisition and disposal of assets made by the Co-operative during the financial year ended 31 December 2022 have not been made in accordance with the By-laws of the Co-operative and the provisions of the Act.

CLA Global TS Public Accounting Corporation
(Formerly Nexia TS Public Accounting Corporation)
Public Accountants and Chartered Accountants

Singapore

5 May 2023

**Statement of Comprehensive Income
for the financial year ended 31 December 2022**

| | Note | 2022 \$ | 2021 \$ |
|--|-------|------------------|------------------|
| Income | | | |
| Interest income | | | |
| - bonds | | 951,196 | 845,618 |
| - bank deposits | | 172,616 | 45,514 |
| - loans to members | | 2,581 | 3,317 |
| Dividend income | | | |
| - quoted equity instruments | | 304,603 | 271,637 |
| - quoted debt instruments | | - | 9,678 |
| - unquoted equity investments | | 55,543 | 60,543 |
| Gain/(loss) on disposal of financial assets, FVOCI | | | |
| - government bonds | | - | 90,360 |
| - statutory bonds | | (2,500) | 90,710 |
| - mutual fund | | - | (6,287) |
| Entrance fee - point in time | | 80 | 40 |
| Other income | 3 | 5,617 | 28,341 |
| | | 1,489,736 | 1,439,471 |
| Expenditure | | | |
| Affiliation fees | | 250 | 282 |
| Amortisation of intangible assets | 17 | 56,284 | 58,909 |
| Audit fees | | 9,725 | 9,898 |
| Bank charges | | 1,151 | 1,578 |
| Depreciation of plant and equipment | 16 | 1,149 | 1,095 |
| Employee compensation | 4 | 241,212 | 241,271 |
| Insurance | | 8,584 | 9,497 |
| Interest on specific deposits | 19 | 689,372 | 777,362 |
| Maintenance of computer system | | 94,666 | 94,672 |
| Medical expenses | | 539 | 525 |
| Meeting expenses | | 79 | - |
| Printing and stationery | | 3 | - |
| Professional fee | | - | 9,630 |
| Skills development levy | | 358 | 356 |
| Sundry expenses | | 3,889 | 5,108 |
| Training | | 7,855 | 1,329 |
| Reversal of loss allowance on financial assets at amortised cost | 26(b) | - | (20,195) |
| | | 1,115,116 | 1,191,317 |
| Surplus before contributions | | 374,620 | 248,154 |

The accompanying notes form an integral part of these financial statements.

**Statement of Comprehensive Income
for the financial year ended 31 December 2022**

| | Note | 2022 \$ | 2021 \$ |
|--|------|--------------------|-------------|
| Surplus before contributions | | 374,620 | 248,154 |
| Contributions to: | | | |
| - Central Co-operative Fund - 5% | 5 | (18,731) | (12,408) |
| - Over provision in the prior financial year | | 8,611 | 25,000 |
| | | (10,120) | 12,592 |
| Net surplus after contributions | | 364,500 | 260,746 |
| Other comprehensive (loss)/income | | | |
| <i>Items that may be classified subsequently to profit or loss:</i> | | | |
| Financial assets, at FVOCI | | | |
| - Fair value losses - debt instruments | | (3,976,100) | (2,018,026) |
| - Reclassification | | (2,500) | (174,783) |
| <i>Items that will not be classified subsequently to profit or loss:</i> | | | |
| Financial assets, at FVOCI | | | |
| - Fair value gains - equity instruments | | 774,152 | 1,118,671 |
| | | (3,204,448) | (1,074,138) |
| Total comprehensive loss for the financial year | | (2,839,948) | (813,392) |

The accompanying notes form an integral part of these financial statements.

**Statement of Financial Position
as at 31 December 2022**

| | Note | 2022 \$ | 2021 \$ |
|----------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Financial assets, at FVOCI | 7 | 1,968,875 | - |
| Loans to members | 13 | 14,324 | 25,103 |
| Other receivables | 14 | 376,062 | 237,186 |
| Cash and cash equivalents | 15 | 13,518,899 | 15,029,956 |
| | | <u>15,878,160</u> | <u>15,292,245</u> |
| Non-current assets | | | |
| Plant and equipment | 16 | 2,604 | 3,753 |
| Intangible assets | 17 | 12,776 | 69,060 |
| Financial assets, at FVOCI | 7 | 43,089,208 | 49,306,720 |
| | | <u>43,104,588</u> | <u>49,379,533</u> |
| Total assets | | <u>58,982,748</u> | <u>64,671,778</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Subscription capital | 18 | 21,506,442 | 20,231,395 |
| Specific deposits | 19 | 28,295,594 | 31,871,845 |
| Other payables | 20 | 109,231 | 101,154 |
| | | <u>49,911,267</u> | <u>52,204,394</u> |
| NET ASSETS | | <u>9,071,481</u> | <u>12,467,384</u> |
| MEMBERS' FUNDS | | | |
| Accumulated surplus | 21 | 2,251,523 | 2,123,539 |
| Common good fund | 22 | 100,516 | 78,336 |
| General reserve fund | 23 | 7,111,222 | 7,111,222 |
| Fair value reserve | 24 | (391,780) | 3,154,287 |
| Total funds | | <u>9,071,481</u> | <u>12,467,384</u> |

The accompanying notes form an integral part of these financial statements.

**Statement of Changes in Members' Fund
for the financial year ended 31 December 2022**

| | Note | Accumulated surplus \$ | Common good fund \$ | General reserve fund \$ | Fair value reserve \$ | Total funds \$ |
|--|------|------------------------------|---------------------------|-------------------------------|-----------------------------|-------------------|
| 2022 | | | | | | |
| Beginning of financial year | | 2,123,539 | 78,336 | 7,111,222 | 3,154,287 | 12,467,384 |
| Study award | | - | (1,770) | - | - | (1,770) |
| Retirement and funeral grants | | - | (26,050) | - | - | (26,050) |
| Committee members' honoraria | | (16,350) | - | - | - | (16,350) |
| Donations | | (6,000) | - | - | - | (6,000) |
| Dividends paid | 25 | (505,785) | - | - | - | (505,785) |
| Transfer to common good fund | | (50,000) | 50,000 | - | - | - |
| Transfer upon disposal of equity investment | 24 | 341,619 | - | - | (341,619) | - |
| Other comprehensive loss | | | | | | |
| Fair value losses | 24 | - | - | - | (3,201,948) | (3,201,948) |
| Reclassified to profit or loss | 24 | - | - | - | (2,500) | (2,500) |
| | | - | - | - | (3,204,448) | (3,204,448) |
| Net surplus after contributions | | 364,500 | - | - | - | 364,500 |
| Total comprehensive loss for the financial year | | 364,500 | - | - | (3,204,448) | (2,839,948) |
| End of financial year | | 2,251,523 | 100,516 | 7,111,222 | (391,780) | 9,071,481 |

The accompanying notes form an integral part of these financial statements.

**Statement of Changes in Members' Fund
for the financial year ended 31 December 2022**

| | Note | Accumulated surplus \$ | Common good fund \$ | General reserve fund \$ | Fair value reserve \$ | Total funds \$ |
|--|------|------------------------------|---------------------------|-------------------------------|-----------------------------|-------------------|
| 2021 | | | | | | |
| Beginning of financial year | | 2,296,168 | 57,786 | 7,111,222 | 4,314,666 | 13,779,842 |
| Study award | | - | (3,800) | - | - | (3,800) |
| Retirement and funeral grants | | - | (25,650) | - | - | (25,650) |
| Committee members' honoraria | | (15,250) | - | - | - | (15,250) |
| Donations | | (6,000) | - | - | - | (6,000) |
| Dividends paid | 25 | (448,366) | - | - | - | (448,366) |
| Transfer to common good fund | | (50,000) | 50,000 | - | - | - |
| Transfer upon disposal of equity investment | 24 | 86,241 | - | - | (86,241) | - |
| Other comprehensive loss | | | | | | |
| Fair value losses | 24 | - | - | - | (899,355) | (899,355) |
| Reclassified to profit or loss | 24 | - | - | - | (174,783) | (174,783) |
| | | - | - | - | (1,074,138) | (1,074,138) |
| Net surplus after contributions | | 260,746 | - | - | - | 260,746 |
| Total comprehensive loss for the financial year | | 260,746 | - | - | (1,074,138) | (813,392) |
| End of financial year | | 2,123,539 | 78,336 | 7,111,222 | 3,154,287 | 12,467,384 |

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows
for the financial year ended 31 December 2022

| | Note | 2022 \$ | 2021 \$ |
|--|------|--------------------|--------------------|
| Cash flows from operating activities | | | |
| Net surplus after contributions | | 364,500 | 260,746 |
| Adjustments for: | | | |
| - Contributions to Central Co-operative Fund | | 10,120 | (12,592) |
| - Depreciation and amortisation | | 57,433 | 60,004 |
| - Dividend income | | (360,146) | (341,858) |
| - Loss/(gain) on disposal of financial assets, at FVOCI | | 2,500 | (174,783) |
| - Reversal of loss allowance on financial assets at amortised cost | | - | (20,195) |
| - Interest income | | (1,126,393) | (894,449) |
| - Interest expense | | 689,372 | 777,362 |
| | | <u>(362,614)</u> | <u>(345,765)</u> |
| Changes in working capital: | | | |
| - Other payables | | 1,754 | 7,687 |
| Cash used in operations | | <u>(360,860)</u> | <u>(338,078)</u> |
| Contributions paid to Central Co-operative Fund – net | | (3,797) | (117,923) |
| Interest received | | 987,517 | 897,654 |
| | | <u>622,860</u> | <u>441,653</u> |
| Changes in funds: | | | |
| - Study award | | (1,770) | (3,800) |
| - Retirement and funeral grants | | (26,050) | (25,650) |
| - Honorarium paid | | (16,350) | (15,250) |
| - Donations granted | | (6,000) | (6,000) |
| Net cash provided by operating activities | | <u>572,690</u> | <u>390,953</u> |
| Cash flows from investing activities | | | |
| Dividend received | | 360,146 | 341,858 |
| Loans to members | 13 | (6,380) | (20,070) |
| Repayment from members | 13 | 17,159 | 29,873 |
| Purchase of plant and equipment | | - | (1,916) |
| Purchase of intangible assets | | - | (758) |
| Purchase of financial assets, at FVOCI | | (4,726,854) | (11,165,794) |
| Proceeds from sale of financial assets, at FVOCI | | 5,768,543 | 9,515,523 |
| Net cash provided by/(used in) investing activities | | <u>1,412,614</u> | <u>(1,301,284)</u> |
| Cash flows from financing activities | | | |
| Dividends paid | 25 | (505,785) | (448,366) |
| Receipts from members - subscription capital | 18 | 5,394,029 | 6,167,968 |
| Withdrawal of subscription capital | 18 | (4,118,982) | (3,871,252) |
| Withdrawal of specific deposits | 19 | (4,265,623) | (6,246,263) |
| Net cash used in financing activities | | <u>(3,496,361)</u> | <u>(4,397,913)</u> |
| Net decrease in cash and cash equivalents | | <u>(1,511,057)</u> | <u>(5,308,244)</u> |
| Cash and cash equivalents | | | |
| Beginning of the financial year | | 15,029,956 | 20,338,200 |
| End of the financial year | 15 | <u>13,518,899</u> | <u>15,029,956</u> |

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements for the financial year ended 31 December 2022

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Straits Times Co-operative (the “Co-operative”) for the financial year ended 31 December 2022 were authorised for issue by the Management Committee on 5 May 2023.

1 General information

The Co-operative is registered under the Co-operative Societies Act 1979 with its principal place of business and registered office at 1000, Toa Payoh North, Singapore 318994.

The principal activities of the Co-operative is to encourage thrift by receiving subscription from members and to prevent indebtedness by enabling them to obtain loans on reasonable terms.

There have been no significant changes in the nature of these activities during the financial year.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with the Act and Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Co-operative’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

Interpretations and amendments to published standards effective in 2022

On 1 January 2022, the Co-operative adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Co-operative’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Co-operative’s accounting policies and had no material effect on the amounts reported for the current or prior financial years

2 Significant accounting policies (continued)

2.2 Revenue recognition

(a) *Interest income*

Interest income from investments are recognised on time proportion basis over the period of placement of investment and at the effective interest rate applicable.

Interest on loans granted to members of the Co-operative is calculated at the rate of 6% per annum on the amounts borrowed.

(b) *Dividend income*

Dividend income is recognised when the Co-operative's right to receive payment is established.

(c) *Other income*

All other forms of income except for government grants are recognised at point in time when the Co-operative has satisfies its performance obligation by transferring good or service to the member.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Co-operative will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

2.4 Plant and equipment

(a) *Measurement*

All items of plant and equipment are initially recorded at cost and subsequent carried at cost less accumulated depreciation and any accumulated impairment losses.

The cost of plant and equipment initially recognised includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2 Significant accounting policies (continued)

2.4 Plant and equipment (continued)

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

| | <u>Useful lives</u> |
|------------------|---------------------|
| Office equipment | 5 to 10 years |

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "other gains and losses".

2.5 Intangible assets

Computer software licenses

Intangible asset represents the Co-operative's computer software that is not an integral part of a computer-controlled machine. It is initially separately measured at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licenses are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

2 Significant accounting policies (continued)

2.6 Impairment of non-financial assets

Intangible assets and plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.7 Financial assets

(a) *Classification*

The Co-operative classifies its financial assets as amortised cost and fair value through other comprehensive income ("FVOCI").

The classification depends on the Co-operative's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Co-operative reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) *Initial recognition*

At initial recognition, the Co-operative measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

(c) *Subsequent measurement*

(i) Debt instruments

Debt instruments of the Co-operative mainly comprise of cash and cash equivalents, other receivables, loans to members and investments in bonds.

The subsequent measurement depending on the Co-operative's business model for managing the asset and the cash flow characteristics of the asset:

2 Significant accounting policies (continued)

2.7 Financial assets (continued)

(c) Subsequent measurement (continued)

(i) Debt instruments (continued)

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.
- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented as part of the Co-operative's income on the face of the statement of comprehensive income. Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

(ii) Equity instruments

The Co-operative subsequently measures all its equity investments at their fair values. The Co-operative has elected to recognise the changes in fair value of equity investments not held for trading in OCI as these are strategic investments and the Co-operative considered this to be more relevant. Movement in fair values of investments classified as FVOCI are presented as "fair value gain and losses" in OCI. Dividends from equity investments are recognised in profit or loss as "dividend income".

Regular way purchases and sales of these financial assets are recognised on trade date – the date on which the Co-operative commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Co-operative has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2 Significant accounting policies (continued)

2.7 Financial assets (continued)

(c) Impairment

The general 3-stage expected credit loss ("ECL") approach is applicable to all other financial assets at amortised costs and debt investments at FVOCI. The Co-operative assesses on a forward-looking basis the ECL associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

2.8 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Other payables

Other payables represent liabilities for goods and services provided to the Co-operative prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.10 Fair value estimate of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Co-operative uses a variety of methods and makes assumptions based on market conditions that are existing at each reporting date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.11 Provisions

Provisions for other liabilities and charges are recognised when the Co-operative has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

2 Significant accounting policies (continued)

2.12 Employee compensation

Employee benefits are recognised as an expense.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Co-operative pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Co-operative has no further payment obligations once the contributions have been paid.

2.13 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of the Co-operative are measured using the currency of the primary economic environment in which the Co-operative operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Co-operative.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

2.15 Dividends to Co-operative's members

Dividends to Co-operative's members are recognised when the dividends are approved for payment.

3 Other income

| | 2022 \$ | 2021 \$ |
|--|--------------|---------------|
| Government grants | | |
| - Central Co-operative Fund Grant ^(a) | 4,833 | 21,408 |
| - Jobs Support Scheme ^(b) | - | 4,929 |
| - Wage Credit Scheme ^(c) | 436 | 1,426 |
| | 5,269 | 27,763 |
| Others | 348 | 578 |
| | 5,617 | 28,341 |

(a) Central Co-operative Fund Grant was introduced to help enhance co-operatives' capabilities, governance and operational efficiency.

3 Other income (continued)

- (b) Jobs Support Scheme (“JSS”) is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.
- (c) The Wage Credit Scheme (“WCS”) was introduced in 2013 to help business cope with rising wage costs and share productivity gains with their employees. The amount an employer can receive depends on the fulfilment on certain conditions under the scheme.

4 Employee compensation

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Staff salaries, bonus and allowances | 210,620 | 210,740 |
| Employer’s contributions to defined contribution plans | 30,592 | 30,531 |
| | <u>241,212</u> | <u>241,271</u> |

The Co-operative does not currently have a policy to compensate staff for unused annual leave.

5 Central Co-operative Fund

Pursuant to Section 71(2) of the Co-operative Societies Act 1979, at the end of each financial year, the Co-operative shall contribute:

- (a) 5% of the first \$500,000 of the surplus resulting from the operations of the Co-operative during the preceding financial year to the Central Co-operative Fund (“CCF”); and
- (b) 20% of any surplus in excess of \$500,000 from the operations of the Co-operative during the preceding financial year either to the CCF or to the Singapore Labour Foundation.

6 Income tax expense

The Co-operative is exempted from income tax under Section 13(1)(f)(ii) of the Income Tax Act, Chapter 134.

7 Financial assets, at FVOCI

Details of the financial assets are analysed as follows:

| | 2022 \$ | 2021 \$ |
|--|------------------|------------|
| Current | | |
| - Quoted bonds at fair value (Note 8) | 975,082 | - |
| - Singapore government bonds at fair value (Note 10) | 993,793 | - |
| | <u>1,968,875</u> | <u>-</u> |

7 Financial assets, at FVOCI (continued)

Details of the financial assets are analysed as follows: (continued)

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Non-current | | |
| - Quoted bonds at fair value (Note 8) | 5,510,962 | 8,534,755 |
| - Singapore statutory bonds at fair value (Note 9) | 12,192,900 | 15,066,678 |
| - Singapore government bonds at fair value (Note 10) | 18,145,273 | 17,174,322 |
| - Quoted equity instruments at fair value (Note 11) | 6,338,993 | 7,629,885 |
| - Unquoted equity instruments at cost (Note 12) | 901,080 | 901,080 |
| | <u>43,089,208</u> | <u>49,306,720</u> |

8 Quoted bonds at fair value

| | 2022 \$ | 2021 \$ |
|----------------------------------|------------------|------------------|
| Quoted bonds at cost | 6,992,200 | 8,491,825 |
| Fair value (loss)/gain (Note 24) | (406,156) | 142,930 |
| Impairment losses | (100,000) | (100,000) |
| Quoted bonds at fair value | <u>6,486,044</u> | <u>8,534,755</u> |
| Current | 975,082 | - |
| Non-current | <u>5,510,962</u> | <u>8,534,755</u> |
| Quoted bonds at fair value | <u>6,486,044</u> | <u>8,534,755</u> |

9 Singapore statutory bonds at fair value

| | 2022 \$ | 2021 \$ |
|---|-------------------|-------------------|
| Non-current | | |
| Singapore statutory bonds at cost | 13,908,500 | 14,863,500 |
| Fair value (loss)/gain (Note 24) | (1,415,600) | 503,178 |
| Impairment losses | (300,000) | (300,000) |
| Singapore statutory bonds at fair value | <u>12,192,900</u> | <u>15,066,678</u> |

10 Singapore government bonds at fair value

| | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Singapore government bonds at cost | 20,399,880 | 16,924,400 |
| Fair value (loss)/gain (Note 24) | (260,814) | 1,249,922 |
| Impairment losses | (1,000,000) | (1,000,000) |
| Singapore government bonds at fair value | <u>19,139,066</u> | <u>17,174,322</u> |
| Current | 993,793 | - |
| Non-current | <u>18,145,273</u> | <u>17,174,322</u> |
| Singapore government bonds at fair value | <u>19,139,066</u> | <u>17,174,322</u> |

11 Quoted equity instruments at fair value

| | 2022 \$ | 2021 \$ |
|---|-------------------------|-------------------------|
| Non-current | | |
| Quoted equity instruments at cost | 4,648,203 | 6,371,628 |
| Fair value gain (Note 24) | <u>1,690,790</u> | <u>1,258,257</u> |
| Quoted equity instruments at fair value | <u>6,338,993</u> | <u>7,629,885</u> |

12 Unquoted equity instruments

| | 2022 \$ | 2021 \$ |
|---|-----------------------|-----------------------|
| Non-current | | |
| NTUC Choice Homes Co-operative Limited | 300,000 | 300,000 |
| Premier Security Co-operative Society Limited | 50,000 | 50,000 |
| NTUC Income Insurance Co-operative Limited | <u>551,080</u> | <u>551,080</u> |
| | <u>901,080</u> | <u>901,080</u> |

The cost of investments in these unquoted equity instruments are deemed to be an appropriate estimate of fair value, whereby the management committee is of the view that there is insufficient of recent information that is available to measure fair value. Therefore, cost represents the best estimate of fair value within that range.

13 Loans to members

| | 2022 \$ | 2021 \$ |
|---|----------------------|----------------------|
| Beginning of financial year | 25,103 | 34,906 |
| Loans granted during the financial year | <u>6,380</u> | <u>20,070</u> |
| | 31,483 | 54,976 |
| Repayment during the financial year | <u>(17,159)</u> | <u>(29,873)</u> |
| End of financial year | <u>14,324</u> | <u>25,103</u> |

Loans to members are unsecured, bear interest at 6% (2021: 6%) per annum and are repayable in not more than 36 monthly instalments (2021: 36 monthly instalments).

14 Other receivables

| | 2022 \$ | 2021 \$ |
|----------------------------|----------------|----------------|
| Interest receivables | | |
| - bonds | 286,665 | 237,186 |
| - short-term bank deposits | 89,397 | - |
| | <u>376,062</u> | <u>237,186</u> |

15 Cash and cash equivalents

| | 2022 \$ | 2021 \$ |
|--------------------------------------|-------------------|-------------------|
| Cash and bank balances | 1,990,059 | 4,155,388 |
| Deposits with financial institutions | 11,528,840 | 10,874,568 |
| | <u>13,518,899</u> | <u>15,029,956</u> |

16 Plant and equipment

| | 2022 \$ | 2021 \$ |
|---------------------------------|--------------|--------------|
| Office equipment | | |
| <i>Cost</i> | | |
| Beginning of financial year | 8,649 | 6,733 |
| Additions | - | 1,916 |
| End of financial year | <u>8,649</u> | <u>8,649</u> |
| <i>Accumulated depreciation</i> | | |
| Beginning of financial year | 4,896 | 3,801 |
| Depreciation charge | 1,149 | 1,095 |
| End of financial year | <u>6,045</u> | <u>4,896</u> |
| Net book value | <u>2,604</u> | <u>3,753</u> |

17 Intangible assets

| | 2022 \$ | 2021 \$ |
|-----------------------------------|----------------|----------------|
| Computer software licenses | | |
| <i>Cost</i> | | |
| Beginning of financial year | 294,797 | 294,039 |
| Additions | - | 758 |
| End of financial year | <u>294,797</u> | <u>294,797</u> |
| <i>Accumulated amortisation</i> | | |
| Beginning of financial year | 225,737 | 166,828 |
| Amortisation charge | 56,284 | 58,909 |
| End of financial year | <u>282,021</u> | <u>225,737</u> |
| Net book value | <u>12,776</u> | <u>69,060</u> |

18 Subscription capital

| | 2022 \$ | 2021 \$ |
|-----------------------------|-------------------|-------------------|
| Beginning of financial year | 20,231,395 | 17,934,679 |
| Receipts from members | 5,394,029 | 6,167,968 |
| | <u>25,625,424</u> | <u>24,102,647</u> |
| Withdrawals | (4,118,982) | (3,871,252) |
| End of financial year | <u>21,506,442</u> | <u>20,231,395</u> |

19 Specific deposits

| | 2022 \$ | 2021 \$ |
|-----------------------------|-------------------|-------------------|
| Beginning of financial year | 31,871,845 | 37,340,746 |
| Withdrawals | (4,265,623) | (6,246,263) |
| Interest payables | 689,372 | 777,362 |
| End of financial year | <u>28,295,594</u> | <u>31,871,845</u> |

The Co-operative periodically transfer members' subscription capital (Note 18) between 5% to 20% to the specific deposit accounts. The percentage to be transferred as decided by the Committee during the year end meeting. The rate of interest to be fixed by the Committee from time to time and shall not exceed 10% per annum without the approval of the Registrar (2022: 2.5%; 2021: 2.5%) Such interest shall be credited to the deposit account of members.

20 Other payables

| | 2022 \$ | 2021 \$ |
|--|----------------|----------------|
| Central Co-operative Fund | 18,731 | 12,408 |
| Unclaimed dividend, deposits, subscription | 55,180 | 55,180 |
| Accrued operating expenses | 35,320 | 33,566 |
| | <u>109,231</u> | <u>101,154</u> |

21 Accumulated surplus

Pursuant to Section 72(1) of the Co-operative Societies Act 1979, the net surplus may be divided among the members by way of dividend or patronage refund or by way of honoraria to officers of the Co-operative, or allocated to any other funds constituted by the Co-operative to such extent and under such conditions as may be prescribed under the Act or in the By-Laws.

22 Common good fund

The common good fund was created to provide relief and grants to members of the Co-operative and may be devoted to any educational, medical, social or charitable purposes as approved by the Registrar of Co-operative Societies from time to time. The common good fund shall be used only for the benefit of members of the Co-operative. Movements in the fund are disclosed in the Statement of Changes in Members' Funds.

23 General reserve fund

The Co-operative shall pay into the general reserve fund such portion of its net surplus as the Management Committee may decide from time to time. The fund shall be indivisible and no member shall be entitled to claim a specific share of it. The general reserve fund shall be used:

- (i) to meet unforeseen losses;
- (ii) to provide a margin beyond the liabilities of the Co-operative so as to ensure its ability to pay such liabilities in full in the event of dissolution; and
- (iii) to enable the Co-operative by reason of the income derived from the general reserve fund to reduce the rate of interest on loans granted to members without causing a reduction in the rate of dividend on share capital and bonus shares.

24 Fair value reserve

| | Quoted bonds (Note 8) \$ | Singapore statutory bonds (Note 9) \$ | Singapore government bonds (Note 10) \$ | Quoted equity instruments (Note 11) \$ | Mutual Fund (Note 13) \$ | Total \$ |
|---|-----------------------------------|---|---|--|--------------------------------|------------------|
| 2022 | | | | | | |
| Beginning of financial year | 142,930 | 503,178 | 1,249,922 | 1,258,257 | - | 3,154,287 |
| Fair value (loss)/gain | (549,086) | (1,916,278) | (1,510,736) | 774,152 | - | (3,201,948) |
| Transfer to accumulated funds upon disposal | - | - | - | (341,619) | - | (341,619) |
| Reclassified to profit or loss | - | (2,500) | - | - | - | (2,500) |
| End of financial year | (406,156) | (1,415,600) | (260,814) | 1,690,790 | - | (391,780) |
| 2021 | | | | | | |
| Beginning of financial year | 225,025 | 1,299,799 | 2,563,460 | 225,827 | 555 | 4,314,666 |
| Fair value (loss)/gain | (82,095) | (705,911) | (1,223,178) | 1,118,671 | (6,842) | (899,355) |
| Transfer to accumulated funds upon disposal | - | - | - | (86,241) | - | (86,241) |
| Reclassified to profit or loss | - | (90,710) | (90,360) | - | 6,287 | (174,783) |
| End of financial year | 142,930 | 503,178 | 1,249,922 | 1,258,257 | - | 3,154,287 |

Fair value reserve is non-distributable.

25 Dividends

| | 2022 \$ | 2021 \$ |
|---|----------------|----------------|
| <i>Dividends paid</i> | | |
| Final dividend declared of 2.5% (2021: 2.5%) in respect of the previous financial year's subscription capital | <u>505,785</u> | <u>448,366</u> |

26 Financial risk management

Financial risk factors

The Co-operative's activities expose it to market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

The Management Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Co-operative's policy that no trading in derivatives for speculative purpose shall be undertaken.

(a) Market risk

(i) Currency risk

The Co-operative is not exposed to currency risk as it has no significant transactions denominated in foreign currencies.

(ii) Price risk

The Co-operative is exposed to equity securities price risk arising from the investments held by the Co-operative which are classified as FVOCI. These securities are quoted equity instruments listed in Singapore, Singapore government bonds, Singapore statutory bonds and unquoted investments in other Co-operatives. To manage its price risk arising from investments in securities, the Co-operative diversified its portfolio.

If prices for quoted investments had changed by 10% (2021: 10%) with all other variables including tax rate being held constant, the total equity securities will increase/decrease by \$4,415,700 (2021: \$4,840,564).

The unquoted investments as the investment does not have a quoted market price in an active market and other methods of determining fair value do not result in a reasonable estimate.

(iii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of the Co-operative's financial instruments will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Co-operative's exposure to interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is by the Co-operative on an on-going basis with the primary objective of limiting the extent to which net interest income and expense could be affected by an adverse movement in interest rates.

26 Financial risk management (continued)

Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risks (continued)

The Co-operative does not hedge its investment in bonds as they have active secondary or resale markets to ensure liquidity. The Co-operative's loans at a rate based on the Management Committee's decision given to members form a natural hedge for its interest-bearing loans to members. The Co-operative's policy is to place surplus funds in deposits with financial institutions at favourable fixed interest rates or bonds carrying fixed rate of interest with financial institutions.

If the interest rates increase/decrease by 1% (2021: 1%) with all other variables including tax rate being constant, the effects on net surplus will not be significant.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its obligations resulting in financial loss to the Co-operative. The major classes of financial assets of the Co-operative are cash and cash equivalents, loans to members, other receivables and financial assets, at FVOCI. For other financial assets, the Co-operative adopts the policy of dealing with high credit quality counterparties.

The Co-operative's investments in debt instruments are considered to be low risk investments which the issuers have a low risk of default and a strong capacity to meet contractual cash flows.

As the Co-operative does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Co-operative has applied the general approach to measure the expected credit losses. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to be low credit risk. Therefore, the loss allowance on these financial assets has been measured on the 12-month expected credit loss basis. No loss allowance was recognised at the reporting date. The management committee has considered the forward-looking factors such as retrenchment rate and accordingly no loss allowance for the loans to members has been recognised as at 31 December 2022 and 2021. Cash and cash equivalents, other receivables are subject to immaterial credit loss.

The movement in credit loss allowance for loans to members is as follows:

| | Other receivables \$ |
|---|-------------------------------------|
| 2021 | |
| Beginning of financial year | 20,195 |
| Loss allowance recognised in profit or loss during the financial year on: | |
| - Reversal of unutilised amount | <u>(20,195)</u> |
| End of financial year | <u>-</u> |

26 Financial risk management (continued)**Financial risk factors (continued)****(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash to finance the Co-operative's operations. The Co-operative manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Co-operative's operations. The Co-operative's surplus funds are also managed centrally by placing them with reputable financial institutions on varying maturities.

The table below analyses the maturity profile of the Co-operative's financial liabilities based on contractual undiscounted cash flows.

| | 2022 | 2021 |
|-------------------------|--------------------------|--------------------------|
| | \$ | \$ |
| Less than 1 year | | |
| Subscription capital | 21,506,442 | 20,231,395 |
| Specific deposits | 28,295,594 | 31,871,845 |
| Other payables | 109,231 | 101,154 |
| | <u>49,911,267</u> | <u>52,204,394</u> |

(d) Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

| | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------------|-------------------|----------------|----------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Financial assets, at FVOCI | | | | |
| 2022 | 44,157,003 | - | 901,080 | 45,058,083 |
| 2021 | 48,405,640 | - | 901,080 | 49,306,720 |

There were no transfer between Levels 1 and 2 during the financial year.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Co-operative is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (e.g. over-the-counter derivatives) is determined by using valuation techniques. For unquoted investments, it is not practicable to determine the fair values because of the lack of quoted market prices and the assumptions used in valuation models to value these investments cannot be reasonably determined. These instruments are classified as Level 3.

The carrying amount receivables and payables are assumed to approximate their fair values.

26 Financial risk management (continued)

Financial risk factors (continued)

(e) Financial instruments by category

The carrying amounts of different categories of financial instruments is disclosed as follows:

| | 2022 | 2021 |
|---|--------------------------|--------------------------|
| | \$ | \$ |
| Financial assets, at FVOCI | 45,058,083 | 49,306,720 |
| Financial assets at amortised cost | 13,909,285 | 15,292,245 |
| Financial liabilities at amortised cost | <u>49,911,267</u> | <u>52,204,394</u> |

27 New of revised accounting standards and interpretations

Certain new accounting standards, amendments and interpretations to existing standards that have been published are mandatory for the Co-operative's accounting periods beginning on or after 1 January 2023. The Co-operative does not expect that the adoption of those accounting standards and interpretations will have a material impact on the Co-operative's financial statements.

DISTRIBUTION OF PROFIT 2022

PROFIT AND LOSS ACCOUNT

The Gross Profit for the year ended 31 December 2022 was S\$374,620. The Committee of Management proposed a dividend of 1.57% and distributes as follows: -

| | 2022 S\$ | 2021 S\$ |
|---|----------------|----------------|
| Central Co-operative Fund – 5% (2021: 5%) | 18,731 | 12,408 |
| Central Co-operative Fund – 20% (2021: 20%) | - | - |
| Honorarium to COM | 17,580 | 16,350 |
| Common Good Fund | - | 50,000 |
| Donation | - | 6,000 |
| 1.57% Dividend on Subscription at 31.12.2022 (2021: 2.5%) | 337,651 | 505,785 |
| To / (From) Accumulated Fund | 658 | (342,389) |
| Gross Profit for the year | <u>374,620</u> | <u>248,154</u> |

ESTIMATED EXPENDITURE 2023

EXPENDITURE

| | 2023 | 2022 |
|---|------------------|------------------|
| | S\$ | S\$ |
| Staff Salary (plus CPF) | 265,000 | 250,000 |
| Depreciation & Maintenance of Computer System | 180,000 | 180,000 |
| Audit Fee | 10,000 | 10,000 |
| Printing & Stationery | 3,000 | 3,000 |
| AGM Expenses | 20,000 | 20,000 |
| Sundry Expenses | 4,000 | 4,000 |
| Transport | 500 | 500 |
| Dental Expenses | 540 | 540 |
| Training | 10,000 | 10,000 |
| Insurance | 10,000 | 10,000 |
| Hardware/Software Upgrade | 25,000 | 10,000 |
| Contingencies Expenses | 10,000 | 10,000 |
| Interest on Specific Deposit | 800,000 | 800,000 |
| Bank Charges | 2,000 | 2,000 |
| Provision for Bad & Doubtful Loan | - | - |
| Welfare Expenses | 3,000 | 3,000 |
| Total Estimated Expenditure for the year | 1,343,040 | 1,313,040 |

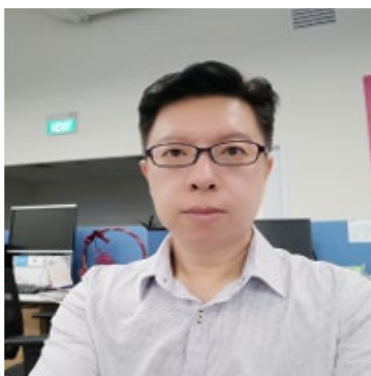
COM NOMINEES PROFILE

(For a term of 3 years from the 83rd to 86th AGM)



Name: Ang Hoe Kiat
Company: Fastco Asia
Designation: Head Business Development
Co-op Member Since: NA
Co-op COM Since: January 2012

Name: Chan Yim Han Emily
SMT Division: Marketing & Media Solutions
Designation: Manager Ad Ops
Co-op Member Since: Febuary 2001
Co-op COM Since: October 2014



Name: Han Poh Tin Marcus
SMT Division: Marketing & Media Solutions
Designation: Deputy Editor
Co-op Member Since: March 2006
Co-op COM Since: February 2011



Name: Latiff Bin Mohideen Ghani

SMT Division: Production

Designation: Associate Engineering 2

Co-op Member Since: May 2004

Co-op COM Since: June 2007

Name: Lei Ivy

SMT Division: SPHTech Group

Designation: Head Newsroom Operations

Co-op Member Since: March 2004

Co-op COM Since: August 2020



Name: Phua Yin Sin

Company: Straits Times Co-operative Ltd

Designation: Manager

Co-op Member Since: NA

Co-op COM Since: January 2016



Name: Ramoo Tharmaretnam

SMT Division: Human Resources

Designation: Manager HR

Co-op Member Since: April 1994

Co-op COM Since: January 2022

Name: See Hwee Peng Stanley

SMT Division: SPHTech Group

Designation: Head Editorial Digital Products

Co-op Member Since: January 2004

Co-op COM Since: August 2018



Name: Tang Kah Yim Connie

SMT Division: SPHTech Group

Designation: Asst Mgr Ops & Admin

Co-op Member Since: July 2004

Co-op COM Since: June 2021



UEN No: S34CS0024G

REPUBLIC OF SINGAPORE

THE CO-OPERATIVE SOCIETIES ACT
(CHAPTER 62)

**NOTICE OF REGISTRATION
AS A CREDIT SOCIETY**

This is to notify that

Straits Times Co-operative Ltd

.....

..... is hereby

registered as a Credit Society, to **receive deposits** and **grant loans** on

and from the **19th** day of **January**, 20 **11**

under section 16A(7) of the Co-operative Societies Act.

Dated this **19th** day of **January**, 20 **11**



CHENG TAI CHIN
Registrar of Co-operative Societies
Singapore



Straits Times Co-operative Limited

1000 Toa Payoh North Singapore 318994

Annexe Block Level 5 News Centre

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