# GENERAL ANNOUNCEMENT::MINUTES OF THE 30TH ANNUAL GENERAL MEETING HELD ON 27 APRIL 2023

## Issuer & Securities

Issuer/ Manager

SBS TRANSIT LTD

Securities

SBS TRANSIT LTD - SG1F58858209 - S61

Stapled Security

No

## Announcement Details

Announcement Title

General Announcement

Date &Time of Broadcast

18-May-2023 17:49:16

Status

New

Announcement Sub Title

Minutes of the 30th Annual General Meeting held on 27 April 2023

Announcement Reference

SG230518OTHRAJ4Y

Submitted By (Co./ Ind. Name)

Angeline Joyce Lee Siang Pohr

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

Please see attached.

## Attachments

SBS Transit Ltd - Minutes of AGM held on 27 April 2023.pdf

Total size =720K MB

**SBS TRANSIT LTD**
(Company Registration No.: 199206653M)
(Incorporated in the Republic of Singapore)

---

**MINUTES OF THE THIRTIETH ANNUAL GENERAL MEETING OF SBS TRANSIT LTD ("COMPANY") HELD ON THURSDAY, 27 APRIL 2023 AT 10.00 A.M. VIA ELECTRONIC MEANS AND AT THE AUDITORIUM, SINGAPORE CHINESE CULTURAL CENTRE, 1 STRAITS BOULEVARD, SINGAPORE 018906**

---

**Board of Directors**

Present at the Auditorium:

| | | |
|---|---|---|
| Mr Bob Tan Beng Hai | : | Chairman |
| Mr Cheng Siak Kian | : | Deputy Chairman |
| Mr Desmond Choo Pey Ching | : | Director |
| Ms Chua Mui Hoong | : | Director |
| Ms Susan Kong Yim Pui | : | Director |
| Ms Lee Sok Koon | : | Director |
| Prof Lim Seh Chun | : | Director |
| Mr Lim Tien Hock | : | Director |
| Mr Jeffrey Sim Vee Ming | : | Director & Group CEO (GCEO) |
| Dr Tan Kim Siew | : | Director |
| Prof Yu Ching Man | : | Director |

**In Attendance:**

Present at the Auditorium:

| | | |
|---|---|---|
| Ms Chew Kum Ee | : | Chief Financial Officer (CFO) |
| Mr Lim Jit Poh | : | Board Chairman, ComfortDelGro, Corporation Ltd ("**ComfortDelGro**") |
| Mr Mark Christopher Greaves | : | Board Director, ComfortDelGro |
| Mr Derek Koh | : | Group Deputy Chief Executive Officer / Group Chief Corporate Services Officer, ComfortDelGro |
| Ms Tammy Tan | : | Group Chief Corporate Affairs Officer, ComfortDelGro |
| Mr Adrian Chong | : | Group Chief Internal Audit Officer, ComfortDelGro |

| | | |
|---|---|---|
| Ms Angeline Joyce Lee | : | Group General Counsel & Company Secretary, ComfortDelGro |
| Mr Christopher White | : | Head of Group Investor Relations, ComfortDelGro |
| Mr Au Cheen Kuan | : | General Counsel & Company Secretary |

Management / Invitees / Shareholders:

As per Attendance List.

**Commencement of Meeting**

At 10.06 a.m., The Company Secretary, introduced the Company's Board of Directors, CFO, and the Company's Head of Investor Relations. Thereafter, Chairman called the Meeting to order after having ascertained that a quorum was present.

**Chairman's Message**

Chairman thanked Shareholders for attending the Thirtieth Annual General Meeting (AGM). Chairman also thanked Mr Lim Jit Poh, the Company's former Chairman, for his past contributions, stewardship and guidance to the Company as well as to the ComfortDelGro Group, and congratulated Mr Mark Christopher Greaves for his forthcoming appointment to Chair the Board of ComfortDelGro Corporation Limited (CDG) at its coming Annual General Meeting.

Chairman remarked that 2022 was a year in recovery, as Singapore came out of the COVID-19 pandemic restrictions. Even as ridership improved, the Company had to overcome many challenges such as sharp rise in electricity prices, increased wage costs and challenges in recruitment and retention of workers, including Bus Captains. Chairman reported that the Management performed extremely well in managing these challenges, increased productivity, and improved financial performance.

Chairman also recognized the support provided by the government to help businesses during the COVID-19 pandemic, without which it would have been impossible for us to sustain the Company's business.

Chairman reiterated that although the Company operated in a regulated and competitive industry, and, therefore, should not expect windfall profits, the Company could, nevertheless, aim to generate a consistent and reasonable return for its shareholders. The Company has worked diligently to continually innovate, increase productivity and engage its workforce so as to provide a reliable and safe transportation service to the public, and at the same time achieve a fair and reasonable profit.

Chairman thanked shareholders for their loyal support, noting that some of the shareholders he met outside the auditorium earlier that morning, have been investors in the Company from its early years. Noting that many shareholders were interested to know whether the Company would increase its payout percentage, Chairman highlighted that the Company had, in its response to Shareholders and SIAS' Questions on 21 April 2023, which were published on SGXNet and the corporate website, provided the reasons for the Company's retention of its cash balances at this point.

Chairman also noted that in order to retain its business, the Company has to be very competitive in future tenders as the Singapore public transport market was very competitive, with many international public transport operators prepared to offer very compelling proposals to penetrate the market, thereby putting pressure on the Company's profit margins. While these asset-light contracts may have smaller margins, they can be financially sustainable. The Board could then release any excess cash balances to increase dividend payouts so that shareholders enjoy a consistent and reasonable dividend year-on-year.

Chairman said that the Company had done a remarkable job innovating and improving productivity in the public transport industry, sharing such innovations with the regulators, and ultimately, benefitting the public transport industry and reducing the cost of public transport. He also noted that the Company was celebrating its 50th anniversary this year and looked forward to celebrating this with commuters in the anniversary activities prepared for the following months.

Chairman expressed his appreciation for Mr Cheng Siak Kian's past leadership of the Company, and congratulated Mr Jeffrey Sim on his promotion to Group Chief Executive Officer (GCEO) of the Company. Chairman thanked the Management and the employees for performing tremendously to deliver reliable, efficient, safe and first-rate public transport services. Chairman also thanked the union, and its leaders and members for its assistance and for being a good partner of the Company in the delivery of excellent public transport services.

The Notice of AGM which was published on 29 March 2023 in The Business Times and SGXNet was taken as read.

Chairman invited the GCEO, to provide the Shareholders with a summary review for the financial year ended 2022, followed by Ms Chew Kum Ee, Chief Financial Officer (CFO), to provide a presentation of the Company's financial results for the financial year ended 2022.

**GCEO's FY2022 Review**

GCEO reported that 2022 marked a return to pre-pandemic normalcy and that the Company continued to work hard at elevating commuters' experience, enhancing productivity, and optimising sustainable use of resources in its operations.

GCEO also reported that the Company's Bus Business entered into its sixth year of operations under the Bus Contracting Model. The Company operated a total of nine bus packages with a market share of 62%. Since 2018, the Company operated two tendered contracts, each for a five-year term. One of the contracts, the Seletar Bus Package, has been extended until March 2025, while the other contract known as the Bukit Merah Bus Package will end in April 2024. Seven other bus packages were operated under negotiated contracts, with one of them, the Jurong West Bus Package, expiring in August 2024.

GCEO further reported that the Company, as the largest public bus operator in Singapore with 50 years of solid track record, have submitted a competitive bid with a strong value proposition for the Tenders for the expiring Bukit Merah Bus Package and the Jurong West Bus Package. The Tenders which have closed attracted participation from six companies, including two new foreign operators. The Company's scale has enabled it to explore new operational concepts and technologies to enhance productivity and raise the overall level of the local public bus industry. GCEO expressed that the Company was committed to delivering world-class standards and hoped to be successful in its bid.

In the rail business, GCEO reported that demand for the Company's rail services has increased by 33%, with a total of 361 million passenger trips made in 2022. Notwithstanding the improvement, the Company's total ridership was still 19% lower than the pre-COVID-19 levels of 2019.

GCEO reported that the Downtown Line remained, for the second consecutive year, the most reliable MRT line globally. The Company's 20-year-old North East Line and its Sengkang-Punggol LRT also performed well. In fact, the North East Line was the first MRT line to achieve 1 million MKBF and has sustained this record. Both of its MRT lines were also the top two most reliable lines in 2022, and the SPLRT has been the most reliable LRT line since 2015. Collectively, the Company's strong performance has earned it recognition as a credible and innovative rail operator in the international rail community.

GCEO further reported that the Company has made inroads in helping those with disabilities travel safely and independently through its signature "Travel with Confidence" programme. Notably, for those living with dementia, the Company's "Find Your Way" initiative would help them navigate its transport hubs safely. All the Company's MRT stations and Bus Interchanges have also been certified by the Agency for Integrated Care as Go-To Points which would serve as safe return points for persons with dementia to be reunited with their families. The Company also initiated the "Travel Buddy" programme, under which trained staff accompanied passengers with disabilities on their journeys and shared practical tips in getting to their destinations, to help them travel with confidence.

GCEO reported that as safety has always been the Company's top priority, it had no difficulties in meeting the requirements of the Code of Practice on Chief Executives' and Board of Directors' Workplace Safety and Health duties, issued by the Ministry of Manpower in 2022 in response to increased workplace fatalities in Singapore.

GCEO also reported that as more green buses come on stream, the Company has continued to send its bus technicians to attend training programmes to be equipped in handling high voltage vehicles safely. 46 of the Company's technical staff were the first in the industry to be certified under the new National Electric Vehicle Specialist Safety (NESS) course.

GCEO reported that in addition to operating green buses, the Company was also committed to reducing its environmental footprint across all aspects of operations. The Company undertook the following initiatives to promote sustainability and responsible resource use:

(i) It has replaced fluorescent lightings with LED lightings in all our work areas, reducing energy consumption by 30%.

(ii) It has also made efforts to ensure efficient and responsible use of water by installing water-efficient fittings in our taps, sprays, and toilet flushing systems. In this regard, the Company has received the Water Efficient Building (Basic) Certification from the PUB for its water efficiency measures in 87 bus and train premises.

(iii) It has strived towards circularity by maximising its use of resources, such as tyre retreading, where it reused more than 22,500 tyres and reduced tyre waste by more than 1,250 tonnes.

GCEO reported that for operational and technical efficiencies, the Company has explored a data-driven approach to optimise productivity and ensure sustainable use of resources. The Company has signed Memoranda of Understanding with leading technology solutions providers, which included Siemens, Huawei, Alstom and CRRC, to harness new and innovative technologies.

To attract new applicants to join as Bus Captains, the Company revised the salary packages and introduced flexible work arrangements. GCEO further reported that the Company's Bus Captains are among the best paid and its manning level was one of the highest among operators in Singapore, ensuring that it maintained the highest standards of safety and service for passengers. The Company also provided competitive remuneration for the other vocations in the current tight manpower landscape, and was committed to creating a supportive and rewarding work environment for all employees, and to investing in their development and well-being.

GCEO highlighted that the Company established its Rail Training Institute in 2022, and made use of innovative technologies like VR (Virtual Reality) and AR (Augmented Reality) to provide bite-sized courses and just-in-time training for employees. The Company also partnered with NTUC LearningHub to develop and deliver critical core skills programmes for employees.

GCEO also highlighted that the Company promoted inclusivity in the workforce and has embarked on a journey to hire more persons with disabilities, who now worked in both its frontline and backend support roles, making valuable contributions to its success.

GCEO reported that in 2022, the Company received top awards in the Best Managed Board and Best Risk Management categories at the Singapore Corporate Awards, as well as the Excellence award in shareholder communications at the Securities Investors Association Investors' Choice Awards. The Company's employees also received various awards and recognitions in 2022, which demonstrated their dedication and hard work. GCEO congratulated them for their outstanding achievements and contributions to the Company and also the public transport industry.

GCEO emphasized that the Company remain committed to safety, operational excellence, sustainability, staff development, and providing delightful commuting experiences to commuters, while striving to give its shareholders a fair and reasonable return.

**CFO's FY2022 Financial Performance Summary**

GCEO then handed the Meeting to CFO to present a summary of the financial performance of the Company for the Financial Year ended 31 December 2022 (Annex A).

CFO reported that Group Operating profit for 2022 had increased by 49.3% or $26.4m to $79.9m as compared to 2021, mainly due to revenue growth boosted by higher service fee from higher fuel indexation, higher rail revenue from ridership recovery, as well as revenue growth in advertising as the economy improved. Excluding Covid-19 reliefs, the Group has recovered from its operating loss position of $2.8m in 2021 and achieved an operating profit of $79.9m in 2022 consistent with the improvements in the business conditions as the economy recovered from the pandemic situation.

CFO also reported that the Operating Costs had risen by $178.1m or 14.2%, driven largely by the increase in fuel and electricity prices and higher staff costs. Earnings Per Share in cents increased 31.3%, improving from 16.6 cents per share in 2021 to 21.8 cents per share in 2022.

CFO further reported that the Company's Balance Sheet remained healthy, with an increase in total equity as at 31 December 2022 as compared with the previous year.

CFO reported that while overall revenue was expected to improve, the expectation for revenue growth was tapered by uncertainty of full ridership recovery back to pre-pandemic levels and the full year impact of the lowered service fees for the five negotiated bus packages which took effect from 1 September 2022.

CFO highlighted that the Group would maintain a strong balance sheet with significant liquidity to handle any unforeseen risk, provide operational facility, and avoid bank borrowings in the current high interest rate environment. The Group would continue to adopt prudent cash management amidst a cautious business climate and rising costs pressures from staff costs in a tight labour market and high energy prices.

If Shareholders approve the proposed final dividend of 5.45 cents per share, the total dividends for 2022 of 10.90 cents per share would be higher than last year's total dividend per share of 8.20 cents per share by 32.9%. The proposed dividend payout of about 50% is in line with the Company's policy to pay out at least 50% of profit attributable to shareholders.

After the presentation, Ms Chew Kum Ee handed the Meeting to Company Secretary to moderate the question and answer section.

**Question and Answer Section**

The Company Secretary informed the Meeting that the proceedings in the question and answer section of the Thirtieth AGM would commence after GCEO has responded to the relevant and substantial questions received by the Company after the deadline for submission of questions on 14 April 2023 but before this AGM. The presentation was arranged into distinct subject groups.

The Company Secretary sought the understanding of shareholders where some questions might not be adequately addressed at the Meeting because certain information could either be highly competitive and confidential in nature and could in some cases, be construed as a profit forecast.

Following this, GCEO commenced his presentation of his responses to the questions received after 14 April 2023 but before this AGM.

Question relating to Cash Requirements

With respect to the Group's cash balances, GCEO emphasized that the Group operated in a regulated and dynamic economic environment and that the COVID-19 pandemic has reinforced the need to be prepared for various risks and challenges that may unexpectedly arise.

Recognising that rail ridership may not recover to pre-pandemic levels soon, GCEO said that the Group has to be prepared for any unforeseen risks. The Group believed that it was prudent to hold balances of approximately three months of operating cash requirements to allow it operational flexibility to overcome such risks, and to avoid any sudden disruption to operations, as the lead time for revenue inflow from government contracts may take up to two months from the moment revenue was earned. The Group preferred to avoid borrowing in the current high interest rate environment.

As a key public transport provider, the Group has a responsibility to ensure it has sufficient resources to meet its obligations in providing reliable transport services even in times of crisis, such as during a pandemic. Therefore, the Group has to strike a balance between providing a reasonable return to shareholders while meeting its public obligations as a responsible operator.

GCEO reported that fixed deposits are current assets, as they were highly liquid and readily convertible to cash. Should there be a need for early redemption of the fixed deposit, the penalty was not likely to be significant. As of 31 December 2022, the interest rates for the Group's fixed deposits ranged from 2.85% to 4.23%.

Questions Relating to Inventories Obsolescence

With respect to inventories obsolescence, GCEO reported that the Group's inventory obsolescence allowance included both general and specific allowances. The majority of the inventory obsolescence pertained to general allowance based on the age of the inventory, which was a prudent and proactive accounting of the Group's inventory holdings which reflected its true value.

GCEO further reported that such inventories obsolescence were unavoidable as the Group has to keep insurance spares, which were slow-moving critical spares, as failure to replace them when they failed could result in a long downtime. Such insurance spares are generally slow-moving, and changes in technology or expiration dates can render them obsolete, and result in inventory write-downs or losses. The Group's level of general allowances was on par with similar public transport companies.

Questions Relating to Related Party Transactions

In relation to related party transactions, GCEO reported that the Group has measures in place to review and approve such transactions. Significant related party transactions of $100,000 and above were reviewed and approved by the Audit & Risk Committee, while related party transactions less than $100,000 were reported to the Audit & Risk Committee every quarter for their review. The Group has appropriate and adequate systems of internal controls, risk management processes, and financial authority limits to provide assurance that the company's assets are safeguarded. Regular statutory audit by external auditors and internal audit reviews were also conducted, with findings reported to the Audit & Risk Committee.

In relation to the advisory services provided to the Group's parent for the Auckland rail tender, GCEO reported that they were approved by the Audit & Risk Committee and priced at arm's length.

GCEO also reported that the increase in related party expenses was consistent with the resumption of regular business activities and annual inflation. GCEO also noted that the Group enjoyed cost savings from the centralisation of some functions, such as procurement and corporate communications, at the holding company.

Questions Relating to CAPEX

In relation to CAPEX spend, GCEO reported that the amount spent varied annually and would be scrutinised by the Board thoroughly to ensure that it was accretive in the medium to long term to bring about efficiencies in operations.

Questions Relating to Energy Cost

With regard to fuel and electricity, GCEO responded that the Group's electricity cost constitutes 35% of the total fuel and electricity cost in FY2022 and 40% in FY2021.

Questions Relating to Headcount

In respect of the Group's labour force, GCEO responded that it decreased slightly by about 2% or 235 to 9753 in 2022 as compared to 2021.

Questions Relating to Shareholders' Return

In relation to shareholder returns, GCEO commented that the total shareholder return for the Company included share price movement and dividends paid, which were impacted by market forces, including the COVID-19 pandemic. The Company's dividend payout has been consistent with its policy of paying at least 50% of PATMI, with the exception of FY2020. There was also no listed entity in the Singapore Exchange with business that was closely comparable to the Company's.

Following GCEO's presentation of the Company's prepared responses, the Board and Management proceeded to take questions from the shareholders who attended the meeting in person and/or via the digital portal.

Responding to the shareholder's question on what would be considered to be a fair and reasonable return, Chairman said that many factors have to be taken into account when considering this question, including the following:

(i) The Group's business was in a regulated industry, where many factors, including fares were not within the Group's control.

(ii) The operating environment was highly competitive and foreign public transport operators have demonstrated that they were prepared to bid very competitively with low margins, which translated to the Group having to accept low margins if it wanted to maintain its business.

(iii) The Group faced cost pressures from labour and energy costs.

(iv) Shareholders should naturally compare the Group's returns with risk-free investments, e.g. mid-termed fixed deposits.

(v) As fares were regulated, the Group would advocate with the authorities for its returns to be comparable with such risk-free investments, so that with diligence, innovation and productivity, the Group could generate a reasonable premium over medium-term fixed deposit rate.

In relation to the question on the increase in Directors' fees and whether the Company had benchmarked its Directors' Fees against companies in similar industries, Chairman responded that the increase in fees from FY2021 was not significant. GCEO explained that the Company did benchmark the fees against other companies and the increase in the basic fees was 2.3%.

In relation to a suggestion to install UV lamps in the air conditioning ducts in buses and trains, GCEO reported that there were many competing technologies for reduction of pollutants and micro-organisms in the market, and that the Group was in the midst of testing some. The Group was still in the midst of the trials to assess the effectiveness of such solutions, as well as to consider whether it was feasible to implement such solutions widely.

In response to the question on whether the Group could get better returns from the cash in fixed deposits and whether the Group could invest its excess cash, Chairman noted that although the Group's cash balance appeared large, such sum was only equivalent to the 3 months of the Group's operating cash requirements. The Group has to be prepared for uncertainties in the operating and regulatory environment and cannot afford to lock such cash in longer-termed investments.

In relation to the question on whether the Group would consider investing a small portion of its cash in debt security, Chairman responded (as also said earlier) that the Group did not have a lot of excess cash for investments. GCEO added that the Group has experienced a lot of uncertainties over the years, and has learnt that it was prudent and necessary to keep certain cash reserves to allow the Group to tide us through the difficult times. GCEO also said that although the cash balances appeared large, they only represented 3 months of operating cash requirements. Deputy Chairman also illustrated that for the rail business, where the Group bore fare revenue risk, it would have to keep its cash reserves ready in light of the higher energy costs for over a year before it could start recouping such costs after any fare adjustment.

Responding to the question on whether the Company requested for higher fees for the extension for the five negotiated bus packages, and whether there was provision for fee escalation in the contract, GCEO responded that LTA exercised the extension option of the contract and the fees followed the prevailing contractual fee formula and indexation.

In response to the question on hedging policy and duration, GCEO said that it was commercially sensitive to disclose the Group's hedging policy.

In relation to the question of whether the Group benefitted from NRFFv2 in the current economic environment, GCEO said that the Group has previously explained the need for transition to NRFFv2 in 2021, and that NRFFv2 reduced the commercial volatility of the Group as it provided fare revenue shortfall protection and EBIT cap and collar, which translated to downside protection for the Group, especially in situations like at the height of the COVID-19 pandemic when ridership dropped to around 15%.

In response to the request that the Company look into regenerative braking for buses, Deputy Chairman reminded the audience that under the Bus Contracting Model, the buses are assets bought and determined by LTA. In terms of technology, regenerative braking was a feature in all hybrid and electric buses, and can be considered to be standard features in buses of the future as LTA transitioned to clean energy buses.

In response to questions on the growth of the Group's cash balance from 2020, the impact of such cash growth on lowering its return on equity, its asset light business model, distribution of the accumulated cash to shareholders in the form of dividends, its low dividend payout percentage compared with CDG and VICOM, when the Group would distribute to shareholders the capital investments returned from leasing of buses under the Bus Contracting Model, and whether it would make a special 50th anniversary payout, the Group answered that:

(i) The cash balance grew during a period when the Group had received very substantial government grants related to COVID-19 support from 2020, which made the Group profitable during such period.

(ii) A change of the Company's dividend policy and dividend payout percentage required proper timing to avoid any criticism of improper use of such government grants.

(iii) Going forward as the Group accumulates cash balance from operating that was not reliant on government grants, Chairman assured that the Board would have greater flexibility to return more of the excess cash balance not required for operations to shareholders, and enhance shareholders' return.

Responding to the question on whether the government covered the difference between the actual fare increase approved by the Public Transport Council and the fare formula increase following the recent fare review exercise, GCEO responded that the government provides a fare deferment grant to public transport operators to make up for the deferred fare increase. However, due to contractual confidentiality obligations, GCEO was not able to disclose the quantum of such grants.

In relation to the question on the remaining bus leases to LTA, the book value of such buses on the balance sheet, CFO replied that the book value of the buses was set out in note 10 of the Group's financial statements. The buses were leased to LTA until the end of their useful life. The leasing fees were based on recovery of the depreciation of the buses.

Responding to the question on what competitive advantages the Group had other than economies of scale, GCEO provided a few such advantages:

(i) CDG's bus operations overseas could share their experience, new ideas and innovations on productivity and sustainability.

(ii) The Group has put in place a strong team for review and testing of new technological advances relevant to public transport.

(iii) The Group leveraged its economies of scale to invest in capabilities and functions that were beneficial to the overall Singapore bus industry, not just the Group. e.g. The Group has invested in engineering capabilities which it could apply towards assisting LTA, such as its contributions in drafting technical specifications for LTA's tender for new buses. The Group's investments in scheduling technology and know-how which enabled it to achieve more efficient and productive scheduling of Bus Captains, and made the Group more competitive.

GCEO reported that the Group has highlighted these advantages and capabilities in the recent bus tenders which the Group submitted. The Group has given its best efforts to submit its most competitive bid offering many value-added features, and looked forward to being successful in the tenders.

In relation to the question on the Company's losses from evasion of paying bus fares by commuters, GCEO reported that such loses were very small in Singapore, and that there were inspectors to enforce fare evasion. GCEO said that fare revenue from buses belonged to LTA although the Company has an obligation to collect the fares and would endeavour to keep such losses low.

Responding to the question on why the Company required such a big board of directors, Chairman said that the Group's business involved diverse facets, including the public, regulations, union and workers, and therefore, required directors with diverse backgrounds and expertise. The Company's Board comprised members who have backgrounds in engineering, union, government sector, and they provide a spectrum of inputs and guidance that enabled the Group to conduct its business, and communicate and engage with its stakeholders effectively. Such a board enabled the Group to have a constructive relationship with its stakeholders, including regulators, workers and the union.

In relation to the question on the lower service fees for the 5 negotiated bus packages, GCEO responded that the impact of the lower service fees could be seen in the Group's performance since September 2022, and would be seen in its performance in the full year of 2023. GCEO declined to provide further details of the lower service fees as it was commercially sensitive information which could jeopardize the competitiveness of the Group's tender bids.

In relation to the question on the MRT lines using the same contracting model as the Bus Contracting Model, GCEO responded that the MRT contracting model differed from the Bus Contracting Model and the Group takes revenue risk on its rail business. He added that where the contracting model was asset-light and eliminated revenue risk, competitors in tenders would make offers with very light margins and this compelled the Group to do likewise to remain competitive. GCEO also said that the contract model for Cross Island Line and Jurong Region Line in the forthcoming tenders was expected to be similar to the Bus Contracting Model.

Responding to the questions on whether the Company would be incurring capital expenditure for the electrification of buses and whether it would be paying for the training of technicians for the electrification of buses, GCEO explained that the capital expenditure for electrification of buses was borne by the government, and the cost of training technicians was borne by the Company. The Company has collaborated with institutions of learning to provide such training to its technicians, and was already managing the maintenance and repair of a small number of e-buses at its depots.

In response to the question on the risk of LTA discontinuing the leases of the Company's buses, CFO said that LTA has contractual obligations under the leases, and any pre-mature termination will be subject to a negotiation between LTA and the Company.

**Business of the AGM**

Company Secretary informed that there were no further questions in the queue. Thereafter, Chairman closed the question and answer section of the Meeting, and proceeded to its actual business.

Chairman informed the Meeting that the independent scrutineers for the AGM were CitadelCorp Services Pte. Ltd..

Chairman also informed the Meeting that all motions at the Meeting were considered duly proposed and seconded, and would be put to vote by way of a poll, with live voting conducted using the online voting feature provided to Shareholders for casting their votes. Chairman also informed the Meeting that he has been appointed as proxy by Shareholders who had sent in their votes via proxy, and would be voting in accordance with the instructions as stated in the proxy forms received by the Company.

Chairman then informed the Meeting that voting for all Resolutions had commenced and proceeded to put each Resolution to Vote.

**Resolution 1: Adoption of Directors' Statement and Audited Financial Statements**

Chairman put forward Resolution 1 of the Agenda to receive and adopt the Directors' Statement and the Audited Financial Statements for the Financial Year ended 31 December 2022 together with the Auditors' Report.

**Resolution 2: Declaration of Final Dividend for the Financial Year Ended 31 December 2022**

Chairman put forward Resolution 2 of the Agenda to declare a final dividend of 5.45 Singapore cents per ordinary share.

**Resolution 3: Directors' Fees for FY2022**

Chairman put forward Resolution 3 of the Agenda to approve Directors' Fees in the amount of S$814,235.

**Re-election of Directors Pursuant to Regulation 106**

Chairman said that pursuant to Regulation 106 of the Company's Constitution, Mr Sim Vee Ming and Mr Lim Tien Hock, who were appointed by the Company's Board of Directors in April 2022, would retire at the Meeting, and have offered themselves for re-election.

**Resolution 4: Re-election of Mr Sim Vee Ming**

Chairman put forward Resolution 4 of the Agenda to re-elect Mr Sim Vee Ming Director of the Company.

**Resolution 5: Re-election of Mr Lim Tien Hock**

Chairman put forward Resolution 5 of the Agenda to re-elect Mr Lim Tien Hock Director of the Company.

**Re-election of Directors Pursuant to Regulation 100**

Chairman said that pursuant to Regulation 100 of the Company's Constitution, Ms Chua Mui Hoong, Ms Susan Kong Yim Pui and Dr Tan Kim Siew would retire by rotation at the Meeting, and have offered themselves for re-election.

**Resolution 6: Re-election of Ms Chua Mui Hoong**

Chairman put forward Resolution 6 of the Agenda to re-elect Ms Chua Mui Hoong Director of the Company.

**Resolution 7: Re-election of Ms Susan Kong Yim Pui**

Chairman put forward Resolution 7 of the Agenda to re-elect Ms Susan Kong Yim Pui Director of the Company.

**Resolution 8: Re-election of Dr Tan Kim Siew**

Chairman put forward Resolution 8 of the Agenda to re-elect Dr Tan Kim Siew Director of the Company.

**Resolution 9: Appointment of Auditors**

Chairman put forward Resolution 9 of the Agenda to appoint Messrs. Ernst & Young LLP Auditors of the Company in place of the retiring auditors, Messrs. Deloitte & Touche LLP. Ernst & Young LLP have expressed their willingness to accept the appointment.

**Resolution 10: Authority to Issue Shares Under the SBS Executive Share Scheme**

Chairman put forward Resolution 10 of the Agenda to authorise Directors to allot and issue shares under the SBS Executive Share Scheme.

**Resolution 11: Renewal of Share Buyback Mandate**

Chairman put forward Resolution 11 of the Agenda to approve the renewal of the Share Buyback Mandate.

Chairman then declared that voting for the Resolutions will close after 2 minutes.

**Resolutions Voting Results**

The voting closed after 2 minutes. Thereafter, the votes were counted and verified and a summary of the results was displayed at the Meeting. The results were:

**Resolution 1**
Votes **FOR**: 240,000,915 (approximately 99.99%)
Votes **AGAINST**: 28,700 (approximately 0.01%)

**Resolution 2**
Votes **FOR**: 239,985,215 (approximately 99.98%)
Votes **AGAINST**: 38,300 (approximately 0.02%)

**Resolution 3**
Votes **FOR**: 239,879,515 (approximately 99.96%)
Votes **AGAINST**: 88,900 (approximately 0.04%)

**Resolution 4**
Votes **FOR**: 239,818,015 (approximately 99.91%)
Votes **AGAINST**: 204,200 (approximately 0.09%)

**Resolution 5**
Votes **FOR**: 239,807,015 (approximately 99.91%)
Votes **AGAINST**: 208,200 (approximately 0.09%)

**Resolution 6**
Votes **FOR**: 234,737,372 (approximately 97.80%)
Votes **AGAINST**: 5,284,843 (approximately 2.20%)

**Resolution 7**
Votes **FOR**: 234,724,572 (approximately 97.80%)
Votes **AGAINST**: 5,284,643 (approximately 2.20%)

**Resolution 8**
Votes **FOR**: 234,721,672 (approximately 97.80%)
Votes **AGAINST**: 5,273,843 (approximately 2.20%)

**Resolution 9**
Votes **FOR**: 239,771,215 (approximately 99.91%)
Votes **AGAINST**: 226,700 (approximately 0.09%)

**Resolution 10**
Votes **FOR**: 239,766,915 (approximately 99.93%)
Votes **AGAINST**: 164,800 (approximately 0.07%)

**Resolution 11**
Votes **FOR**: 240,657,572 (approximately 99.98%)
Votes **AGAINST**: 59,300 (approximately 0.02%)

**Resolutions Voting Results**

Based on the results shown, Chairman declared all Resolutions carried.

**RESOLVED THAT**:

1. the Directors' Statement and the Audited Financial Statements for the Financial Year ended 31 December 2022 together with the Auditors' Report thereon submitted to this Meeting be adopted;

2. a tax-exempt one-tier final dividend of 5.45 Singapore (S$0.0545) cents per ordinary share in respect of the Financial Year ended 31 December 2022, as proposed by the Board of Directors be paid on 16 May 2023 to members whose names appear on the Register of Members as at 5.00 p.m. on 8 May 2023;

3. the amount of $814,235 proposed as Directors' Fees for the Financial Year ended 31 December 2022 be approved;

4. Mr Sim Vee Ming who retired at this AGM be re-elected Director of the Company;

5. Mr Lim Tien Hock who retired at this AGM be re-elected Director of the Company;

6. Ms Chua Mui Hoong who retired at this AGM be re-elected Director of the Company;

7. Ms Susan Kong Yim Pui who retired at this AGM be re-elected Director of the Company;

8. Dr Tan Kim Siew who retired at this AGM be re-elected Director of the Company;

9. Messrs Ernst & Young LLP be appointed Auditors of the Company until the next Annual General Meeting, and the Directors of the Company be and are hereby authorised to fix the remuneration of the Auditors;

10. Pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") of Singapore, the Directors of the Company be and are hereby authorised to grant awards ("**Awards**") in accordance with the provisions of the SBS Executive Share Scheme ("**Scheme**") and to allot and issue and/or transfer from time to time such number of fully paid-up shares in the capital of the Company ("**Shares**") as may be required to be issued and/or transferred pursuant to the vesting of Awards under the Scheme, provided that:

    (i) the total number of new Shares which shall be issued pursuant to Awards granted under the Scheme shall not exceed five per cent (5%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of the Award; and

    (ii) the aggregate number of Shares for which an Award may be granted on any date under the Scheme, when added to the aggregate number of Shares that are issued and/or issuable in respect of:

        (A) all Awards granted under the Scheme; and

        (B) all Shares, options or awards granted under any other share option or share scheme of the Company then in force (if any),

        shall be subject to any applicable limits prescribed under the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**Listing Manual**"); and

    Such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

11. (a) for the purposes of the Companies Act, the authority conferred on the Directors to exercise all the powers of the Company to

purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereinafter defined) at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases ("**Market Purchases**"), effected on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme or schemes as defined in Section 76C of the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held; and

(ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Maximum Limit**" means that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the

Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding related expenses) which shall not exceed:

(i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

**where**:

"**Relevant Period**" means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or required by law to be held, whichever is earlier, after the date of this Resolution;

"**Average Closing Price**" means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) Market Days (a "**Market Day**" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

"**Day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company ("**Shareholders**"), stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

## Closure of Meeting

With the Agenda for the Meeting fully dealt with, Chairman declared the Meeting closed at 12.00 p.m..

Chairman thanked all Shareholders for attending the Meeting, wish them good health and best wishes, and informed them that he would meet them outside for some light refreshments.

Certified as a correct record of the proceedings of the Meeting.

Bob Tan Beng Hai
Chairman

## Annex A


# 30th Annual General Meeting

27 April 2023

# Disclaimer

This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for shares (“Shares”) in SBS Transit Ltd (the "Company"). The value of shares and the income derived from them may fall as well as rise Shares are not obligations of, deposits in, or guaranteed by, the Company or any of its affiliates. An investment in Shares is subject to investment risks, including the possible loss of the principal amount invested. The past performance of the Company is not necessarily indicative of its future performance.

This presentation may also contain forward looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

No part of this document, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its subsidiaries, affiliates, advisors or representatives and agents shall have any responsibility or liability whatsoever (in negligence or otherwise) relating to the accuracy or completeness of the information and opinions contained in this document or for any loss howsoever arising from any reliance or use of this document or its contents or otherwise arising in connection with the document. The information contained in this document is not to be taken as any recommendation made by the Company or any other person to enter into any agreement with regard to any investment.

The inclusion of financial information in this document should not be regarded as a representation or warranty by the Company, or any of its affiliates, advisors or representatives or any other person as to the accuracy or completeness of such information’s portrayal of the financial condition or results of operations of the Company and should not be relied upon when making an investment decision. The information contained in this document is provided as at the date of this document and is subject to change without notice.

If you have any doubt about the foregoing or any content of this document, you should obtain independent professional advice.

# REVIEW OF FY2022 FINANCIAL RESULTS


SBS Transit
A member of ComfortDelGro

# Review of Financial Results

| | FY2022 $'m | FY2021 $'m | Increase/ (Decrease) | |
|---|---|---|---|---|
| Revenue | **1,515.3** | 1,310.8 | 204.5 | 15.6% |
| Operating Costs | **1,435.4** | 1,257.3 | 178.1 | 14.2% |
| Operating Profit | **79.9** | 53.5 | 26.4 | 49.3% |
| Profit before tax | **83.0** | 52.5 | 30.5 | 58.1% |
| Profit after tax | **68.0** | 51.6 | 16.4 | 31.8% |
| EBITDA | **173.9** | 158.9 | 15.0 | 9.4% |
| | | | | |
| Operating Profit (Loss) before COVID-19 Government reliefs | **79.9** | (2.8) | 82.7 | NM |
| COVID-19 Government reliefs | **-** | 56.3 | (56.3) | NM |
| Operating Profit after COVID-19 Government reliefs | **79.9** | 53.5 | 26.4 | 49.3% |

| | FY2022 cents | FY2021 cents | Increase/ (Decrease) | |
|---|---|---|---|---|
| Earnings Per Share | **21.8** | 16.6 | 5.2 | 31.3% |
| Dividend Per Share | **10.9** | 8.2 | 2.7 | 32.9% |

NM – Not meaningful

# Balance Sheet

| | 31 Dec 2022 | 31 Dec 2021 | Increase/ (Decrease) | |
|---|---|---|---|---|
| | $'m | $'m | $'m | % |
| Short-term deposits and bank balances | 345.30 | 204.03 | 141.27 | 69.2 |
| Other Current Assets | 363.78 | 354.86 | 8.92 | 2.5 |
| Non-Current Assets | 502.11 | 594.90 | (92.79) | (15.6) |
| Total Assets | 1,211.19 | 1,153.79 | 57.40 | 5.0 |
| Current Liabilities | 422.29 | 383.41 | 38.88 | 10.1 |
| Non-Current Liabilities | 144.61 | 168.81 | (24.20) | (14.3) |
| Total Liabilities | 566.90 | 552.22 | 14.68 | 2.7 |
| Equity | 644.29 | 601.57 | 42.72 | 7.1 |
| Total Liabilities and Equity | 1,211.19 | 1,153.79 | 57.40 | 5.0 |



SBS Transit
A member of ComfortDelGro

# Financial Summary

- Profit after Tax of $68.0m increased compared against $51.6m for FY2021.

- While overall revenue is expected to improve with the removal of the remaining COVID-19 restrictions from 13 February 2023, it will be tapered by uncertainty of full ridership recovery back to pre-pandemic levels and the full year impact of lowered service fees for the five negotiated bus contracts which took effect from September 2022.

- The Group maintains a strong balance sheet with significant liquidity to prepare of any unforeseen risks and provide us with operational flexibility.

- The Group continues to face rising costs pressure from staff costs due to the tight labour market and high energy prices.

# DIVIDEND PAYOUT AND SHAREHOLDERS’ RETURN


SBS Transit

A member of ComfortDelGro

# Financial Year 2022 Dividend Payout

| | FY2022 (cents) | FY2021 (cents) | Increase/ (Decrease) |
|---|---|---|---|
| **Earnings Per Share (Cents)** | 21.8 | 16.6 | **5.20 / 31.3%** |
| | | | |
| Interim Dividend | 5.45 | 5.75 | (0.30) / (5.2%) |
| Final Dividend | 5.45 | 2.45 | **3.00 / 122.4%** |
| **Total** | **10.90** | **8.20** | **2.70 / 32.9%** |
| | | | |
| **Dividend payout ratio** | **50.0%** | **49.5%** | |
| Dividend yield | 4.2%[a] | 2.8%[b] | |

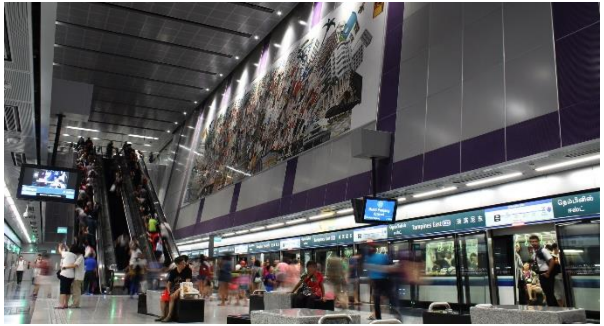
a) SBS Transit share price of $2.58 as at 31 Dec 2022
b) SBS Transit share price of $2.95 as at 31 Dec 2021

SBS Transit
A member of ComfortDelGro

SBS Transit

A member of ComfortDelGro





# THANK YOU