

**GENERAL ANNOUNCEMENT::MINUTES OF THE 29TH ANNUAL GENERAL MEETING HELD ON 28 APRIL 2022**

Issuer & Securities

Issuer/ Manager

SBS TRANSIT LTD

Securities

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Announcement Details

Announcement Title

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Minutes of the 29th Annual General Meeting held on 28 April 2022

Announcement Reference

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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.

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#### Attachments

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[SBS Transit Ltd - Minutes of AGM 28.4.2022.pdf](#)

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Total size = 1104K MB

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**SBS TRANSIT LTD**

(Company Registration No.: 199206653M)

(Incorporated in the Republic of Singapore)

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**MINUTES OF THE TWENTY-NINTH ANNUAL GENERAL MEETING  
OF SBS TRANSIT LTD (“COMPANY”) HELD ON THURSDAY, 28  
APRIL 2022 AT 10.00 A.M. VIA ELECTRONIC MEANS AND AT THE  
AUDITORIUM, SINGAPORE CHINESE CULTURAL CENTRE, 1  
STRAITS BOULEVARD, SINGAPORE 018906**

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**Board of Directors**

Present at the Auditorium:

Mr Bob Tan Beng Hai : Chairman  
Mr Yang Ban Seng : Deputy Chairman  
Mr Cheng Siak Kian : Director, Chief Executive Officer  
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  
Dr Tan Kim Siew : Director

Present via Video-Link:

Prof Yu Ching Man : Director

**In Attendance:**

Present at the Auditorium:

Ms Chew Kum Ee : Chief Financial Officer  
Mr Derek Koh Thong Hean : Group Chief Financial Officer  
Ms Tammy Tan I-lin : Group Chief Branding &  
Communications Officer  
Mr Adrian Chong Yew Fui : Group Chief Internal Audit Officer  
Mr Christopher David White : Head of Group Investor Relations  
Ms Angeline Joyce : Group General Counsel &  
Lee Siang Pohr : Company Secretary

Mr Yang Chi Chih : Audit & Assurance Partner,  
Deloitte & Touche LLP

Ms Wong Hui Jing : Audit Senior Manager,  
Deloitte & Touche LLP

**Management / Invitees / Shareholders - Physical & Via Webcast:**

As set out in the attendance records maintained by the Company.

**Commencement of Meeting**

At 10.03 a.m., the Company Secretary (Co Sec), introduced the Company's Board of Directors, the Chief Financial Officer, and the Head of Investor Relations who were present on stage/virtually. Thereafter, Chairman called the Meeting to order after having ascertained that a quorum was present.

**Chairman's Message**

Chairman thanked the Board of Directors for their confidence in appointing him as Director and Chairman of the Board, and for their support since his appointment. Chairman thanked Mr Lim Jit Poh, the Company's former Chairman and Senior Advisor, for his outstanding stewardship of the Company over the years, guiding the Company to where it is today, a well-respected transport operator in Singapore as well as internationally.

Chairman also thanked the Management and Employees of the Company for their tremendous dedication and enthusiasm in delivering reliable transport services in a difficult operating environment arising from measures in response to the COVID-19 pandemic.

The Notice of AGM which was published on 30 March 2022 in The Business Times and SGXNet was taken as read.

Chairman invited Mr Cheng Siak Kian, Chief Executive Officer (CEO), to provide the Shareholders with a summary review for the financial year ended 2021, 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 2021. Chairman reminded Shareholders to hold all their questions to the Question and Answer Session, after all the presentations.

## **CEO's FY2021 Review**

CEO reported that in 2021, despite the persistent uncertainties brought on by the COVID-19 pandemic, the Company remained resilient and doubled-down on efforts to be a reliable public transport operator, a responsible employer and a good corporate citizen.

### **Rail Reliability**

CEO also reported that the Company's rail business sustained high standards in rail reliability, with both the Downtown Line and North East Line maintaining reliability above the 1 million km mark in mean km before failure (MKBF), which is a target set by the LTA, and the Downtown Line being awarded the most reliable rail line in 2021.

### **COVID-19 Safety Management Efforts**

CEO further reported that the Company continued with the stepped up cleaning and disinfection schedules of buses, trains, bus interchanges and MRT stations throughout 2021, in support of the nation's fight to reduce the spread of COVID-19 and as Management were concerned about the health and well-being of employees and customers. CEO also reported that employees were encouraged to take the COVID-19 vaccines and that separate areas for mask-on and mask-off activities were introduced in the workspaces as part of the Company's tightened Safe Management Measures.

### **Improving Customer Experience**

CEO reported that to improve customer experience, the Company rolled out a series of initiatives, such as QR codes for easier fault reporting on premises and vehicles, and priority boarding for customers in wheelchairs at all 50 MRT stations managed by the Company, an effort to make public transport more inclusive.

### **Sustainability Report**

CEO informed Shareholders that sustainability was a key focus area of the Company, and that the Company recently released its sustainability report for 2021 and welcome feedback on the various sustainability efforts of the Group. CEO acknowledged that sustainability will determine the Company's long-term viability and success.

CEO noted that the Board established a Sustainability Committee in 2021, headed by Professor Lim Seh Chun, to oversee the key areas in

environmental, social and governance matters. CEO reported that in support of its sustainability goals, the Company implemented programmes and initiatives, such as installing solar panels, supporting LTA in rolling out green vehicles, developing a high level of customer satisfaction, developing strong customer relationships, developing employees, and looking after the well-being, health, safety, and cyber and physical security of employees.

#### Transition of Downtown Line

CEO also reported that the transition of the Downtown Line to the New Rail Financing Framework Version 2 (**NRFF2**), to be in-line with North East Line and Sengkang and Punggol LRT, was another significant development for the Company in 2021. CEO noted that the new Framework model, which became effective from 1 January 2022, reduced commercial volatility for SBS Transit and is a more sustainable model for its rail operations. CEO reported that as part of the agreement with LTA to transition the Downtown Line to NRFF2, five of the Company's existing bus contracts were extended by an average of three years and the service fee for these contracts were lowered.

#### Awards and Recognition

CEO reported that the commitment and hard work of the Company's employees in putting Safety First at the workplace were recognised at the LTA's Public Transport Safety Awards, where the North East Line and the Bukit Merah Bus Package took top spots. He also noted that some 2,000 employees in the frontline received industry awards for providing good service, as they continued to serve customers well despite facing greater risks of exposure to the COVID-19 virus.

CEO also reported that the Company received the ASEAN Energy Award for its green practices, and the Corporate Excellence and Resilience Award for its efforts in upholding best practices in corporate governance and showing leadership, innovation and resilience during the pandemic.

#### Appreciation of Staff and Directors

CEO thanked SBS Transit's employees for putting in their best despite the difficult conditions. He also expressed gratitude to the Authorities and the Union for their assistance during the trying times in 2021. Further, he thanked the Company's many contractors who have provided support in operations and maintenance.

Finally, CEO also thanked Chairman and the Board for their guidance, as well as Shareholders and Customers for their feedback and encouragement.

### **CFO's FY2021 Financial Performance Summary**

CEO then handed the Meeting to CFO to present a summary of the financial performance of the Company for the Financial Year ended 31 December 2020 (See Annex A).

CFO reported that the Group achieved higher revenue of S\$1.31 billion in FY2021, an increase of 6.5% compared with FY2020, due to rail ridership recovery, higher bus service fees resulting from indexation, and growth in advertising and rental as the economy improves. CFO also reported that the Operating Costs increased from S\$1.15 billion to S\$1.25 billion arising from increase in fuel and electricity prices, increase in staff costs resulting from lower Job Support Scheme as compared with FY2020, and a one-time write off of 241 older buses. CFO further reported that the Operating Profit decreased by S\$26.5 million to S\$53.5 million in FY2021, and that the Group's operating losses excluding COVID-19 reliefs reduced significantly from S\$29.8 million in FY2020 to S\$2.8 million in FY2021.

CFO also reported that the Group's balance sheet remained strong with short-term deposits and bank balances of S\$204 million, and that the total equity increased by S\$14.5 million due mainly to the net profits of S\$51.6 million offset by dividends paid.

CFO reported that the total dividend for FY2021 amounted to 8.2 cents, which is equivalent to a dividend payout ratio of approximately 50%, consistent with the dividend policy of the Group.

After the presentation, Ms Chew Kum Ee handed the Meeting to Co Sec to moderate the question and answer session.

### **Question and Answer Session**

The Shareholders noted that the questions received from Shareholders via the AGM pre-registration website and email, and the corresponding answers were published by the Company on the SGXNet website and the Company's portal on 26 April 2022 (See Annex B). The Shareholders were then invited to a question and answer session for all matters in the agenda of the Meeting.

The Shareholders were duly informed that some responses to 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.

Shareholder, Goh Han Peng, submitted a question via the AGM website on whether SBS Transit can recover back to pre-COVID-19 profit level of S\$80 million. In response, CEO reminded the Shareholders that he is unable to provide a forecast but noted that the Group's operating losses (excluding COVID-19 reliefs) have decreased significantly from around S\$30 million in FY2020 to just under S\$3 million in FY2021. CEO also noted that while ridership is expected to improve, there are emerging downsides arising from escalating energy costs, staff costs, and supplier costs resulting from an inflationary environment.

Chairman added that SBS Transit operates a regulated business and is expected to comply with the regulator's stringent requirements to provide a safe, reliable, and reasonably priced public transport service with a good customer service. Chairman said that the Group should also expect to have to work hard to improve efficiency and to be competitive and innovative in the areas where the Company have control. Chairman noted that there will always be cost challenges for the Company to balance against its obligations to comply with legal and regulatory requirements imposed by the Government and the Authorities; and the demands of commuters who require the Company to consistently ensure reliability and efficiency of our bus and rail systems. Chairman said that if the Group achieves those objectives and not spend too much money in the process, it should expect to be able to provide a reasonable and steady return for the Shareholders. Chairman advised Shareholders not to expect high returns for the Company unlike other companies where high rewards come with high risks. SBS Transit set out to provide steady returns to Shareholders. Chairman also said that there were 10,000 employees for whom the Company must be responsible to ensure that they enjoy and want to continue their career with the Company; and if the employees are encouraged, they will be motivated to provide good services to our commuters.

Shareholder, Leong Hon Sze, asked via the AGM website whether the public transport fare increase carried-over from 2020 has been implemented and whether indexation was covered by the fare increase. In response, CEO confirmed that the fare increase of 2.2% implemented from 26 December 2021 has factored in the 4.4% increase that was deferred and carried-over from 2020, and that



indexation has been built into the Public Transport Council's fare formula for the Fare Review Exercise.

Shareholder, Goh Han Peng, asked another question via the AGM website on the Company's working capital and whether the Company will draw on bank lines to free up cash for dividends. In response, CEO stated that the Company has provided answers in relation to the Company's working capital requirements in the answer to a question received before the AGM, published on the SGXNet website and the Company's portal on 26 April 2022. CEO also added that the Company maintains a reasonable working capital taking into account the size of its operations and work force, and the volatility in its expenses. CEO said that the Company will continue to operate conservatively for the time being due to the expectation of uncertainties in the immediate future.

Shareholder, Mr Wu Pei Tong, who attended the Meeting at the Auditorium, enquired on the difference between NRFF2 and the earlier version, and how fare adjustments affects the Company's profitability. CEO responded by informing the Meeting that the licence charge applicable under the earlier framework model that the Downtown Line was on before NRFF2 was not tied to the fare revenue from operations but was based on a fixed charge, which meant that the Group continued to pay the fixed charge even as the fare revenue dropped significantly as was experienced in the past 2 years. CEO elaborated that NRFF2 provided a mechanism of fare revenue shortfall protection and earnings cap and collar, which details were set out in page 115 of the Company's FY2021 Annual Report, where when the Group's earnings before interest and tax (EBIT) is lower than 3.5%, LTA will share a portion of the shortfall, but when the Group's EBIT exceeds 5%, LTA will share in most of the EBIT exceeding 5%, with LTA's share of the fare revenue shortfall protection and earnings cap and collar being limited to the total licence charge payable by the Group for the year. CEO also acknowledged that the LTA takes the fare revenue risk and pays a service fee under the bus contracting model but clarifies that this does not apply to NRFF2 for the rail contracting model, where the Group continues to bear fare revenue risk. CEO elaborated that when rail ridership dropped to around 15% of pre-COVID-19 levels in the depths of the pandemic, the Group continued to operate at almost the same level, and therefore, bearing almost the same costs, although the fare revenue had dropped significantly, hence significantly impacting the Group's profitability.

Shareholder, Wang Heng Kwee, posted a question via the AGM website on the breakdown of profit between bus and rail businesses. CEO explained that as the Company remain the only Singapore public

transport company listed on SGX-ST, the Company finds it necessary to maintain its competitive edge in bidding for bus and rail contracts by not disclosing the breakdown of profit between bus and rail businesses to the public. Chairman took the opportunity to highlight that as the Company only operates businesses regulated by the LTA, it is therefore more useful for investors to focus on the profitability of the Company as a whole. Chairman mentioned that it is not appropriate for a regulated business to disclose the breakdown, considering the prospective competition and new players entering the market to compete with the Company.

Shareholder, Quek Hock Guan, who attended the Meeting at the Auditorium, asked about the Company's plans to cope with the anticipated interest rate increases in FY2022. CFO responded that as SBS Transit is currently loan-free, the Company does not expect to have to deal directly with interest rate increases. Chairman elaborated by pointing out that since the Singapore government switched the model to owning all assets in the Singapore public transport sector, the Company's capital requirement for capex has been significantly reduced, and consequently interest rate increases by lenders will be less of an issue for the Company.

### **Business of the AGM**

Co Sec informed that there were no further questions posed at this juncture and Chairman consequently closed the question and answer session, and proceeded to the actual business of the Meeting.

Chairman informed the Meeting that the independent scrutineers for the AGM were Messrs Deloitte & Touche LLP and Mr Adrian Chong Yew Fui, the Group's internal auditor, and that Deloitte and Mr Chong were the joint scrutineers for all Resolutions except Resolution 9, where Mr Chong was the sole scrutineer, and Resolution 10, where Deloitte were the sole scrutineer.

Chairman also informed the Meeting that all motions at the Meeting have been 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**

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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 2020 together with the Auditors' Report.

### **Resolution 2: Declaration of Final Dividend for the Financial Year Ended 31 December 2021**

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Chairman put forward Resolution 2 of the Agenda to declare a final dividend of 2.45 Singapore cents per ordinary share.

### **Resolution 3: Directors' Fees for FY2021**

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Chairman put forward Resolution 3 of the Agenda to approve Directors' Fees in the amount of S\$598,159.

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

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Chairman said that pursuant to Regulation 106 of the Company's Constitution, Mr Cheng Siak Kian, Mr Desmond Choo Pey Ching, and himself, who were appointed by the Company's Board of Directors in April 2021, would retire at the Meeting, and have offered themselves for re-election.

### **Resolution 4: Re-election of Mr Tan Beng Hai as a Director**

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As Resolution 4 related to his own re-election, Chairman invited Mr Yang Ban Seng, Deputy Chairman, to take over conduct of putting Resolution 4 to vote. Chairman also informed the Meeting that where he was appointed as proxy to vote at his discretion, he would not be exercising those voting rights in relation to Resolution 4.

Deputy Chairman put forward Resolution 4 of the Agenda to re-elect Mr Tan Beng Hai as a Director of the Company, and handed the Meeting back to Chairman.

### **Resolution 5: Re-election of Mr Cheng Siak Kian as a Director**

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Chairman put forward Resolution 5 of the Agenda to re-elect Mr Cheng Siak Kian as a Director of the Company.

### **Resolution 6: Re-election of Mr Desmond Choo Pey Ching as a Director**

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Chairman put forward Resolution 6 of the Agenda to re-elect Mr Desmond Choo Pey Ching as a Director of the Company.

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

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Chairman said that pursuant to Regulation 100 of the Company's Constitution, Ms Lee Sok Koon and Professor Yu Ching Man, who were most recently appointed, would retire at the Meeting, and have offered themselves for re-election.

### **Resolution 7: Re-election of Ms Lee Sok Koon as a Director**

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Chairman put forward Resolution 7 of the Agenda to re-elect Ms Lee Sok Koon as a Director of the Company.

### **Resolution 8: Re-election of Professor Yu Ching Man as a Director**

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Chairman put forward Resolution 8 of the Agenda to re-elect Professor Yu Ching Man as a Director of the Company.

### **Item 9: Retirement of Mr Yang Ban Seng**

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Chairman announced that Mr Yang Ban Seng would be retiring at the end of the Meeting and did not wish to stand for re-election. Noting that Mr Yang had served the Company and the Board relentlessly for the last 5 years in various capacities, including as Executive Deputy Chairman and Chief Executive Officer in 2019, when he stabilised operations and improved staff morale during the leadership transition, and grooming Mr Cheng Siak Kian to takeover as CEO in January 2021, Chairman thanked Mr Yang for his tremendous work and contributions to the Company.

### **Resolution 9: Re-appointment of Auditors**

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Chairman put forward Resolution 9 of the Agenda to re-appoint the Auditors, Messrs Deloitte & Touche LLP, the Auditors of the Company, who had expressed their willingness to accept re-appointment.

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

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Chairman put forward Resolution 10 of the Agenda to authorise Directors to allot and issue shares under the SBS Executive Share Award Scheme (“**Scheme**”).

Chairman said the full text of the Resolution was set out under Item 11 in the Notice of this Meeting on page 121 of the Annual Report.

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

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

Chairman said the full text of the Resolution was set out under in the Notice of this Meeting on pages 122 to 123 of the Annual Report. Further information pertaining to the Share Buyback Mandate including its terms were set out in the Circular to Shareholders dated 30 March 2022.

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

## **Resolutions Voting Results**

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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**: 239,057,894 (approximately 99.99%)

Votes **AGAINST**: 14,300 (approximately 0.01%)

No of Votes Abstained was 43,800

### **Resolution 2**

Votes **FOR**: 239,059,194 (approximately 99.99%)

Votes **AGAINST**: 14,200 (approximately 0.01%)

No of Votes Abstained was 42,600

### **Resolution 3**

Votes **FOR**: 239,048,794 (approximately 99.99%)

Votes **AGAINST**: 22,100 (approximately 0.01%)

No of Votes Abstained was 45,100

**Resolution 4**

Votes **FOR**: 239,035,894 (approximately 99.98%)  
Votes **AGAINST**: 36,300 (approximately 0.02%)  
No of Votes Abstained was 43,800

**Resolution 5**

Votes **FOR**: 239,035,894 (approximately 99.98%)  
Votes **AGAINST**: 36,300 (approximately 0.02%)  
No of Votes Abstained was 43,800

**Resolution 6**

Votes **FOR**: 238,889,994 (approximately 99.92%)  
Votes **AGAINST**: 182,200 (approximately 0.08%)  
No of Votes Abstained was 43,800

**Resolution 7**

Votes **FOR**: 238,887,994 (approximately 99.92%)  
Votes **AGAINST**: 184,200 (approximately 0.08%)  
No of Votes Abstained was 43,800

**Resolution 8**

Votes **FOR**: 239,033,894 (approximately 99.98%)  
Votes **AGAINST**: 38,300 (approximately 0.02%)  
No of Votes Abstained was 43,800

**Resolution 9**

Votes **FOR**: 238,870,794 (approximately 99.99%)  
Votes **AGAINST**: 22,100 (approximately 0.01%)  
No of Votes Abstained was 45,100

**Resolution 10**

Votes **FOR**: 238,621,594 (approximately 99.87%)  
Votes **AGAINST**: 318,600 (approximately 0.13%)  
No of Votes Abstained was 160,800

**Resolution 11**

Votes **FOR**: 239,056,694 (approximately 99.99%)  
Votes **AGAINST**: 14,500 (approximately 0.01%)  
No of Votes Abstained was 46,800

**Resolutions Voting Results**

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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 2021 together with the Auditors' Report thereon submitted to this Meeting be adopted;
2. a tax-exempt one-tier final dividend of 2.45 Singapore (S\$0.0245) cents per ordinary share in respect of the Financial Year ended 31 December 2021, as proposed by the Board of Directors be paid on 26 May 2022 to members whose names appear on the Register of Members as at 5.00 p.m. on 9 May 2022;
3. the amount of \$598,159 proposed as Directors' Fees for the Financial Year ended 31 December 2021 be approved;
4. Tan Beng Hai who retires at this AGM be re-elected as a Director of the Company;
5. Mr Cheng Siak Kian who retires at this AGM be re-elected as a Director of the Company;
6. Mr Desmond Choo Pey Ching who retires at this AGM be re-elected as a Director of the Company;
7. Ms Lee Sok Koon who retires at this AGM be re-elected as a Director of the Company;
8. Professor Yu Ching Man who retires at this AGM be re-elected as a Director of the Company;
9. Messrs Deloitte & Touche LLP be re-appointed Auditors of the Company until the next Annual General Meeting at a fee to be agreed between the Directors and 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**

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With the Agenda for the Meeting fully dealt with, Chairman declared the Meeting closed at 10.53 a.m..

Chairman thanked all Shareholders for attending the Meeting, wish them good health and best wishes, and expressed that he looked forward to meeting them again next year.

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

Bob Tan Beng Hai  
Chairman

# Annex A



# 29<sup>th</sup> Annual General Meeting

28 April 2022

# 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.

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- FY2021 Dividend Payout and Shareholders' Return

# REVIEW OF FY2021 FINANCIAL RESULTS



**SBS Transit**  
A member of COMFORT DEL GRU

## Review of Financial Results

	FY2021 \$'m	FY2020 \$'m	Fav/(Adv)	
Revenue	1,310.8	1,230.9	79.9	6.5%
Operating Costs	(1,257.3)	(1,151.0)	(106.3)	(9.2%)
Operating Profit	53.5	80.0	(26.5)	(33.0%)
Profit before tax	52.5	77.0	(24.5)	(31.8%)
Profit after tax	51.6	79.0	(27.4)	(34.6%)
EBITDA	158.9	189.0	(30.1)	(15.9%)
Operating Loss before COVID-19 Government reliefs	(2.8)	(29.8)	27.0	90.6%
COVID-19 Government reliefs	56.3	109.8	(53.5)	(48.7%)
Operating Profit after COVID-19 Government reliefs	53.5	80.0	(26.5)	(33.0%)

- Higher Revenue mainly from ridership recovery from rail, higher service fees due to indexation as well as growth in advertising and rental as the economy improves
- Increase in Operating Costs mainly arise from the increase in fuel and electricity prices, increase in staff costs as a result of lower Jobs Support Scheme and a one-time write-off of 241 older buses
- Excluding Covid-19 reliefs, the underlying operating losses for the Group has been reduced from \$29.8m for FY 2020 to \$2.8m for FY2021.



# Balance Sheet

	31 Dec 2021	31 Dec 2020	Fav/(Adv)	
	\$'m	\$'m	\$'m	%
Short-term deposits and bank balances	204.03	85.56	118.47	138.5
Other Current Assets	354.86	402.00	(47.14)	(11.7)
Non-Current Assets	594.90	652.24	(57.34)	(8.8)
<b>Total assets</b>	<b>1,153.79</b>	<b>1,139.80</b>	<b>13.99</b>	<b>1.2</b>
Current Liabilities	383.41	386.79	3.38	0.9
Non-current Liabilities	168.81	165.98	(2.83)	(1.7)
<b>Total liabilities</b>	<b>552.22</b>	<b>552.77</b>	<b>0.55</b>	<b>0.1</b>
<b>Equity</b>	<b>601.57</b>	<b>587.03</b>	<b>14.54</b>	<b>2.5</b>
<b>Total Liabilities and Equity</b>	<b>1,153.79</b>	<b>1,139.80</b>	<b>13.99</b>	<b>1.2</b>

- Balance sheet remains strong with healthy short-term deposits and bank balances of \$204m (~equivalent to 2 months of operating expenses)
- Total equity increased by \$14.5m mainly due to net profits generated of \$51.6m, partially offset by the dividends paid.

# Financial Summary

- Profit after Tax of \$51.6m decreased compared against \$79.0m for FY2020. This is impacted by less Government relief but cushioned by the gradual economic recovery
- Underlying performance of the Group excluding Government relief has improved as compared to FY2020
- The Group maintains a strong balance sheet with significant covenant headroom and liquidity
- The Group continues to face rising costs pressure especially with absence of the JSS reliefs and rising energy prices. The Group will adopt a prudent cash management while continuing to transform and build our capabilities

# DIVIDEND PAYOUT AND SHAREHOLDERS' RETURN



**SBS Transit**  
A member of COMFORT DEL GRU

## Financial Year 2021 Dividend Payout

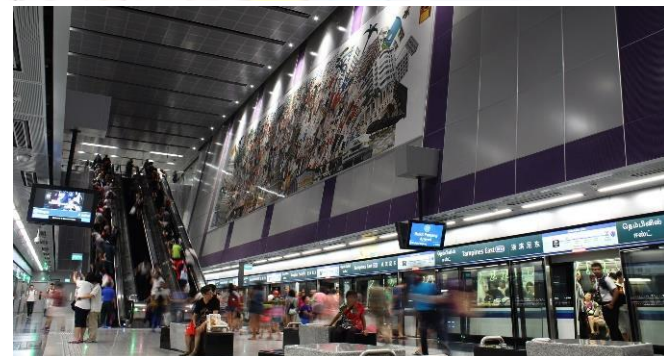
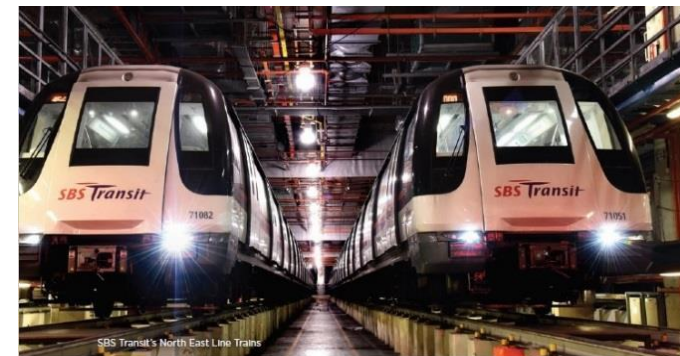
	FY2021 (cents)	FY2020 (cents)	Increase / (decrease)
<b>EPS (Cents)</b>	16.6	25.3	<b>(8.70) / (34.4%)</b>
Interim Dividend	5.75	-	5.75 / NM
Final Dividend	2.45	6.30	<b>(3.85) / (61.1%)</b>
<b>Total</b>	<b>8.20</b>	<b>6.30</b>	<b>1.90 / 30.2%</b>
<b>Dividend payout ratio</b>	<b>49.5%</b>	<b>24.9%</b>	
Dividend yield	2.8% <sup>(a)</sup>	2.1% <sup>(b)</sup>	

a) SBS Transit share price of \$2.95 as at 31 Dec 2021

b) SBS Transit share price of \$3.05 as at 31 Dec 2020



**SBS Transit**  
A member of COMFORT DELCRO



THANK YOU



**SBS TRANSIT LTD**

(Company Registration No.199206653M)  
(Incorporated in the Republic of Singapore)

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**ANNUAL GENERAL MEETING TO BE HELD ON 28 APRIL 2022  
COMPANY'S RESPONSES TO SHAREHOLDERS' QUESTIONS**

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The Board of Directors (the “**Board**”) of SBS Transit Ltd (the “**Company**”) wishes to thank all shareholders of the Company for submitting in advance, questions relating to the Resolutions as set out in the Notice of the Annual General Meeting (“**AGM**”) to be held on 28 April 2022 at 10.00 a.m. and the Company’s Annual Report for the financial year ended 31 December 2021 (the “**Annual Report**”).

The list of questions and responses is as attached in Annex A.

**BY ORDER OF THE BOARD  
SBS TRANSIT LTD**

Angeline Joyce Lee Siang Pohr  
Company Secretary

26 April 2022

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## **Annex B**



## **ANNEX A**

In answering the submitted questions, we have grouped them into similar questions/topics as follows:

**Q1 How do higher fuel and electricity prices affect SBS Transit under LTA's rail financing/bus contracting model? Does SBS Transit receive any compensation from LTA if energy costs increase?**

**How has the oil price impacted Operational cost?**

A1 Energy prices have differing impacts on our bus and rail operations. The contracting/financing models for bus and rail are different so there are different exposures to the group for fuel and electricity respectively. Fuel is indexed on a monthly basis for bus service fee contracts with Land Transport Authority (LTA). For rail, the annual fare review takes into consideration an annual energy index and fare revisions are subject to Public Transport Council's decision.

**Q2 Could the management share what is the proforma result for FY 2021 and FY 2019, if NRFF2 had taken place in the beginning of 2021 and 2019?**

A2 Due to commercial sensitivity, we cannot disclose the pro-forma impact for 2019 or 2021. As disclosed in our announcement of 11 November 2021, if the DTL Transition had completed on 1 January 2020, being the beginning of the most recently completed financial year ended 31 December 2020, it would have resulted in savings of licence charges of approximately S\$20m for the financial year ended 31 December 2020, for the SBST Group under NRFF (Version 2).

**Q3 Under the BCM, LTA would pay for the service fee is indexed to changes in wage levels, inflation and fuel costs. How frequent does LTA review changes wage levels, inflation and fuel costs? When was the last review?**

A3 Under the bus service fees contract, fuel is indexed monthly while wage index and consumer price index (CPI) are indexed annually. The annual indexation for wages and CPI takes place on the anniversary date of each individual bus contract year.

**Q4 SBST reported the cash of \$204m and no borrowings as of 31 Dec 2021. May I know Management plan of the cash?**

A4 We are operating in a regulated environment that provides bus and rail services. Our cash requirement to cover our operating expenses fluctuates from \$100m to \$180m per month. Currently, the Covid-19 pandemic is not yet over and rail ridership has yet to return to pre-pandemic levels. In addition, there are cost pressures arising from rising electricity prices and rising cost of manpower and



supplies. In the past 2 years, the government's help in the form of the Jobs Support Scheme greatly helped in our cashflow. We are thankful for the Scheme which has since ended in August 2021.

While we are seeing the steady return to normalcy with the stabilisation of the Covid-19 situation in Singapore, we are mindful that there remains risk of new variants which may disrupt the pace of the full re-opening of the economy. Hence management will continue to take a prudent approach in maintaining a sufficient level of cash to support the daily operations of the company.

In view of the cash requirement volatility and the uncertainty and risks cited above, Management will adopt a prudent cash management approach. Any temporary excess cash balances will be kept in short-term fixed deposits.

**Q5 Has ridership improved substantially since relaxation of Covid restrictions? If so, has the company bottom line improved correspondingly?**

A5 Rail ridership has recovered to 65%-70% of pre-COVID levels as of end 1Q2022 compared to 60%-65% as of end 2021.

While ridership has improved gradually, the increase in fare revenue is not sufficient to offset the escalating increase in energy cost due to the increase in electricity price.

**Q6 What is the average age of SBS Transit's bus captains/drivers? Has SBS Transit been successful in attracting younger Singaporeans to join the company as bus drivers?**

A6 The average age of an SBST's BC is 48 years old. To attract Singaporeans to join us as bus captains, we have over the years raised starting salaries and given additional increments for local applicants with heavy vehicle driving experience, in addition to sign-on bonuses. We have also enhanced career progression opportunities and provided alternative career paths for local BCs who perform well to move into other roles, including Executive level appointments.

**Q7 Any intent to go into autonomous bus and electric buses more by nudging LTA MOT with more funding support on the hard assets?**

A7 Buses are now owned by the government and the speed of the procurement and deployment of electric and autonomous buses is determined by the Authorities.

We have been getting ourselves ready in operating autonomous buses and electric buses.

In 2021, we took delivery of 10 electric buses from the LTA, bringing the total number of green vehicles in our fleet to 55. This comprised 30 electric buses and 25 hybrid ones.

We also operated a commercial on-demand shuttle bus service using autonomous buses (AV) on Jurong Island for three months until end April 2021. Prior to this, we were involved in the trial of operating these vehicles with ST Engineering where our BCs served as safety drivers to take over the wheel in case of emergencies. Meanwhile, we are also participating in a consortium with ST Engineering Autonomous Solutions, which had submitted a bid for an AV project, in a Call for Collaboration announced by the LTA and the Economic Development Board.

**Q8 Will electric buses be more economical to run than diesel power ones. When are they due to go on the roads?**

A8 Generally, electric buses are more economical to run than diesel ones. We currently operate 30 electric buses on a trial basis. However, it is still early days to comment on long term maintenance cost of electric buses due to the small fleet that we currently operate. Any future increase in the electric fleet is decided by LTA.

**Q9 Please do not buy China built buses. They are poorly built. The buses rattle a lot of bumpy roads and some are about to fall apart not long after put into operation.**

A9 The purchase of buses, including the make and model, is decided by LTA as the buses are owned by LTA.

**Q10 With the appointment of Mr Cheng Siak Kian as Comfortdelgro Group Deputy Chief Executive Officer, when is the plan for him to step down as CEO of SBS Transit? If not, how will he juggle between the responsibilities of the two listed companies? What is the transition plan to identify successor for Mr Cheng as the CEO for SBS Transit?**

A10 There is no immediate plan for Mr Cheng to step down as CEO of SBS Transit. He will concurrently hold both positions until a suitable successor for SBS Transit has been identified.

As part of SBS Transit's plans to strengthen the management bench strength, and lend greater focus to its two core businesses of serving the travel needs of the commuting public, we have initiated several management changes including appointing two new chief executive officers (CEOs) to head its core bus and rail businesses as part of its planned succession strategy. Mr Lim Tien Hock is appointed as CEO Bus Business and Mr Jeffrey Sim Vee Ming is appointed as CEO Rail Business. With the two CEOs driving our core businesses, we believe we will be better placed to steer the company ahead in a competitive business environment.