

## ANNUAL REPORTS AND RELATED DOCUMENTS::

### Issuer & Securities

#### Issuer/ Manager

SBS TRANSIT LTD

#### Securities

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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 - Refer to the Online help for the format)

1. Annual Report 2023; and
2. Circular to Shareholders in relation to the Proposed Renewal of Share Buyback Mandate.

### Additional Details

#### Period Ended

31/12/2023

### Attachments

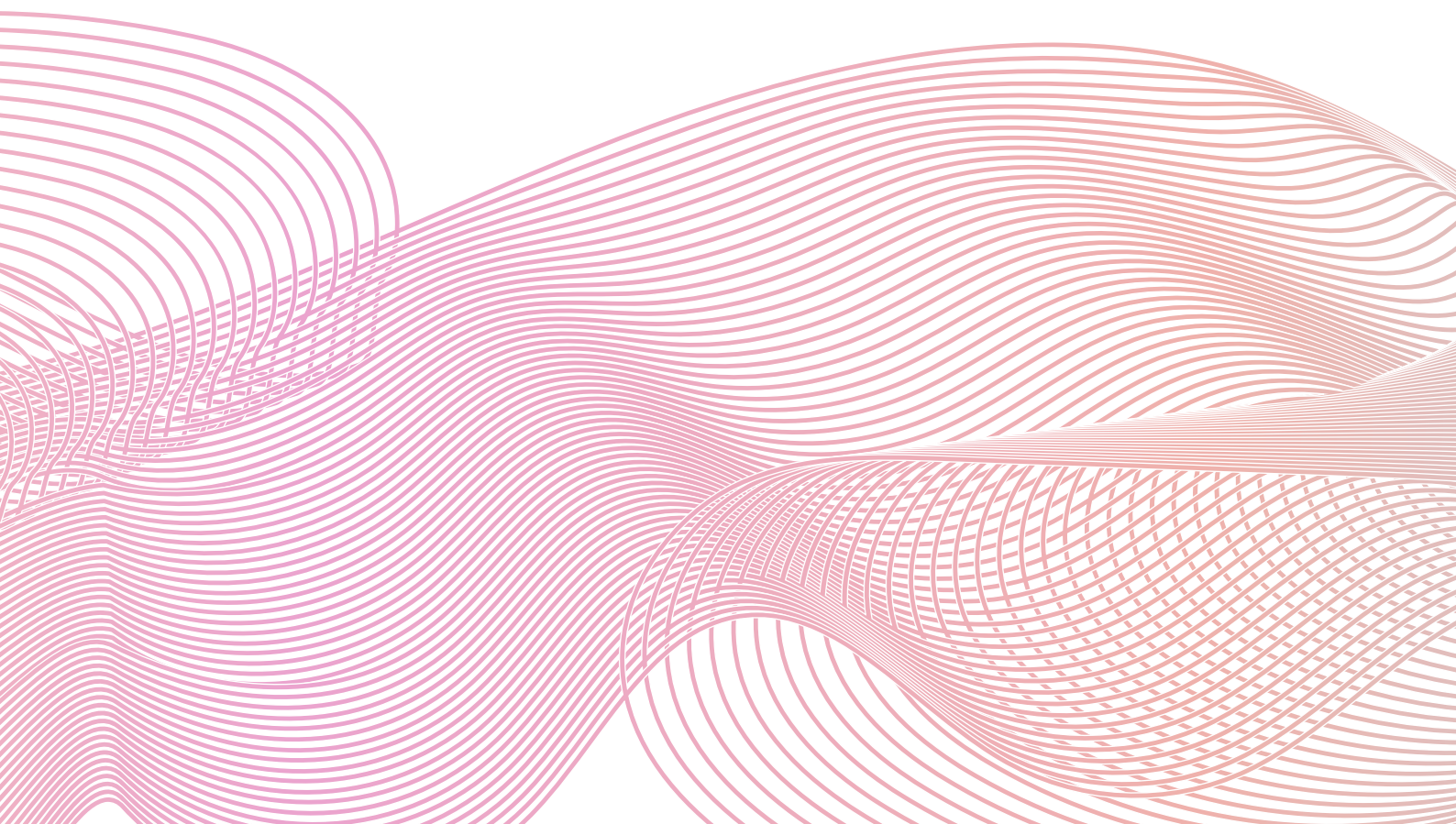
[SBS Transit Ltd - Annual Report 2023..pdf](#)

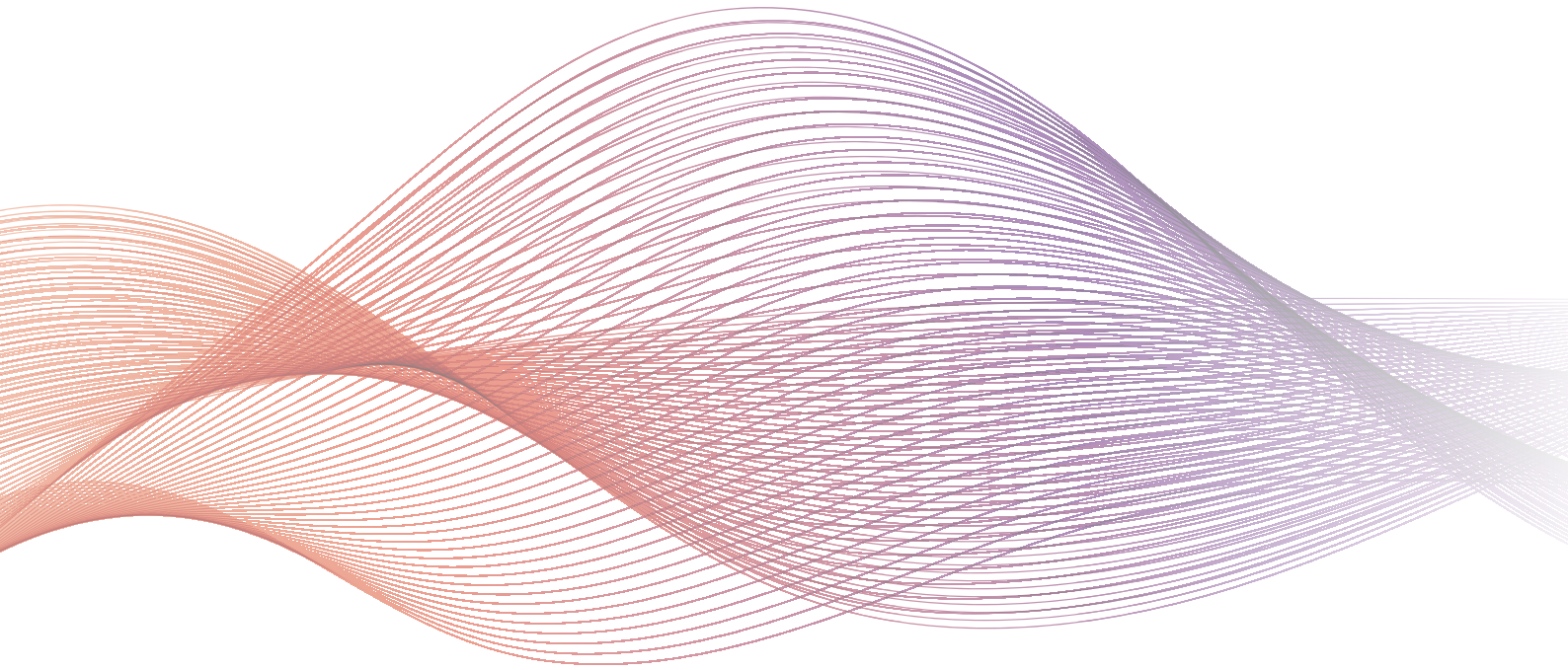


# DELIGHTING COMMUTERS

## ENHANCING JOURNEYS

ANNUAL  
REPORT 2023





## CONTENTS

2	Celebrating 50 Years of Travelling Together	85	Financial Statements
12	Joint Statement by Chairman & Group CEO	86	Directors' Statement
16	Group Financial Highlights	90	Independent Auditor's Report
18	Board of Directors	94	Statements of Financial Position
26	Key Management	95	Group Income Statement
31	Corporate Information	96	Group Comprehensive Income Statement
32	Operations Review	97	Statements of Changes in Equity
48	Corporate Governance	99	Group Cash Flow Statement
75	Directors' Particulars	100	Notes to the Financial Statements
80	Investor Relations	135	Share Price Movement Chart
81	Risk Management	136	Shareholding Statistics
84	Financial Calendar	138	Notice of Annual General Meeting
		148	Additional Information on Directors Seeking Re-Election Proxy Form

## OUR VISION

Moving people in a safe, reliable and affordable way.

## OUR MISSION

To achieve excellence for our customers, employees, shareholders and community. To this end, we are committed to delivering safe and reliable services at affordable prices, being an employer of choice, creating significant shareholder value and becoming a socially responsible corporate role model.

## OUR CORE BELIEFS

To achieve our vision and mission, we are guided by the following beliefs:

We will:

- Be driven by our customers' needs
- Strive for excellence in everything we do
- Act with integrity at all times
- Treat people with fairness and respect
- Maintain safety as a top priority
- Collaborate with our partners for a win-win outcome
- Give our shareholders a reasonable return



**CELEBRATING**



***OF TRAVELLING TOGETHER***

As Singapore's pioneer bus company, we were delighted to be celebrating 50 years of keeping Singapore on the move. Rain or shine, we remain committed to ensuring our passengers enjoy safe, reliable, and delightful journeys with us.

# CELEBRATING 50 YEARS OF TRAVELLING TOGETHER

## THE 1970s



1973

### SINGAPORE BUS SERVICE

Singapore Bus Service (SBS) was formed through the merger of three bus companies – Amalgamated Bus Company, Associated Bus Services, and United Bus Company.



1973

### TWO-MEN-OPERATION

Bus conductors issued tickets on board and collected fares.



1976

### BUS TERMINAL IMPROVEMENT PROGRAMME

Twenty-eight bus terminals were phased out or relocated under the terminal improvement programme. Many moved to major bus interchanges located at the centre of the new towns.



1975

### ONE-MAN-OPERATION

Bus drivers took charge of fare collection and a flat fare system was introduced. Bus conductors were trained and redeployed, with some changing careers to be bus drivers.



1977

### DOUBLE DECK BUS TRIALS

Twenty double deck buses were put on trial to evaluate their suitability on Singapore roads. The first bus was deployed on Service 86.



1978

### SINGAPORE'S FIRST BUS INTERCHANGE

SBS opened its first bus interchange at Jurong Road.



## THE 1980s



**1982** **TICKETING SYSTEM**  
A machine ticketing system was introduced, charging graduated fares. Tickets were issued by a ticket machine on board.



**1984** **SINGAPORE'S FIRST AIR-CONDITIONED BUS**  
The first air-conditioned bus service in Singapore plied Service 168.



**1982** **CONCESSIONARY TRAVEL**  
Concessionary travel for senior citizens was introduced, with more than 43,000 senior citizens' passes issued.



**1981** **NATIONAL TRANSPORT WORKERS' UNION**  
A union was formed to represent transportation employees.



**1980** **STEP FARE SYSTEM**  
The step fare system was implemented, allowing passengers to pay their fares based on the distance they travelled.



**1980** **SBS BRADDELL HEADQUARTERS**  
The Company's headquarters was officially opened at Braddell Road.

# CELEBRATING 50 YEARS OF TRAVELLING TOGETHER

## THE 1990s



**1991** **MAGNETIC FARECARD SYSTEM**

The introduction of farecards made cashless travel easy for passengers.



**1993** **THE WORLD'S BIGGEST DOUBLE DECK BUS**

This was Singapore's first ozone-friendly, air-conditioned, double deck bus.



**1995** **BUS DEPARTURE DISPLAY MONITORS**

Overhead display screens were installed at bus interchanges to keep passengers informed of bus departure times.



**1994** **SBS GUIDE TOUCHSCREEN MULTIMEDIA KIOSKS**

Installed at bus interchanges, passengers were able to access point-to-point travel solutions as well as information on services, fares, and updates on route changes.



**1998** **WIRELESS PAYPHONE SERVICE**

Wireless payphone service became available on five bus services to enable passengers to return pages and make urgent calls while on the move.



**1999** **BUS CAPTAINS**

Bus drivers were addressed as Bus Captains to enhance professionalism in the job.

## THE 2000s



2006

### FIRST WHEELCHAIR-ACCESSIBLE BUS

SBS Transit introduced its first low-floor, step-free buses equipped with wheelchair ramps and other accessible features.



2007

### INTELLIGENT ROUTE INFORMATION SYSTEM (IRIS)

This was the world's first real-time bus arrival information system, accessible through web-enabled mobile devices and short message services. In 2011, the iris app was launched for iPhone and Android users.



2008

### CARES INITIATIVE

The CARES training was launched to promote a culture of service excellence.



2003

### PART OF AN INTERNATIONAL LAND TRANSPORT GROUP

DelGro Corporation – the parent company of SBS Transit Ltd – merged with Comfort Group to form ComfortDelGro Corporation Limited.



2003

### NORTH EAST LINE (NEL)

NEL commenced service. It is the world's first fully automated, underground heavy rail system.



2002

### FIRST AIR-CONDITIONED BUS INTERCHANGE

Singapore's first air-conditioned bus interchange opened in Toa Payoh.



2003

### SENGKANG LIGHT RAIL TRANSIT (LRT) SYSTEM

Sengkang LRT was opened for passenger service. The Punggol LRT system commenced passenger service in 2005.

# CELEBRATING 50 YEARS OF TRAVELLING TOGETHER

## THE 2010s



2013

### DOWNTOWN LINE (DTL)

DTL phase 1 commenced service. Phases 2 and 3 commenced in 2015 and 2017 respectively. Then, it was Singapore's longest, fully automated underground rail line.



2016

### TRANSITION TO BUS CONTRACTING MODEL (BCM)

We transitioned to the BCM where transport companies are contracted and paid by the Land Transport Authority (LTA) to operate public bus services through a competitive tendering process.



2018

### WON SECOND TENDERED CONTRACT

We were awarded the Bukit Merah Bus Package which had 18 services. We took over the newly-built Ulu Pandan Bus Depot which can house 470 buses. A green depot with solar panels, it has piped-in NEWater for bus washing.



2017

### WON FIRST TENDERED CONTRACT

We won our first tendered contract – the Seletar Bus Package. It came with a newly-built depot, which can house close to 530 buses.



2019

### AUTONOMOUS VEHICLE (AV) TRIAL

We participated in a public trial with ST Engineering to operate AVs on Jurong Island and Sentosa. Operated as an on-demand service, visitors could book a shuttle ride to get to popular destinations along the designated routes.



2019

### RAIL SERVICES ACHIEVED GREATER RELIABILITY

Both the NEL and DTL clocked over one million train-km in Mean Kilometre Between Failures, which is a universally recognised measure of rail reliability.

## THE 2020s



2023

### WON THIRD TENDERED CONTRACT

We were awarded the Bukit Merah Bus Package for a second consecutive term. The bus package comprised 17 bus services including two cross-border services to Johor Bahru.



2023

### GOLDEN JUBILEE

We held a series of celebratory activities to mark 50 years of providing public transport services in Singapore with our passengers, staff, pioneers, and industry stakeholders.



2022

### TRAVEL WITH CONFIDENCE PROGRAMME

We collaborated with Social Service Agencies to launch initiatives to help vulnerable passengers travel with confidence on public transportation.

2022



### RAIL TRAINING INSTITUTE

The new institute offered bite-sized courses and just-in-time training, leveraging innovative technology such as Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality to develop staff competencies.



2021

### ROLLED OUT NEW ELECTRIC BUSES

SBS Transit took delivery of 25 hybrid and 20 fully electric buses from LTA.



2021

### WORLD'S MOST RELIABLE METRO LINE

The DTL was reputed to be the most reliable metro line globally with more than four million train-km in MKBF.

# CELEBRATION HIGHLIGHTS

## BUS AND TRAIN WRAPS

We decked out our trains and buses in vibrant, celebratory colours and took our passengers on a trip down memory lane, sharing fun facts from each decade of our journey.



## ANNIVERSARY EZ-LINK CARDS

We produced a set of specially designed EZ-Link cards featuring our iconic buses and trains.





#### HERITAGE EXHIBITION

Our heritage exhibition, held at selected stations and interchanges, featured artefacts and images that highlighted our evolution through the years.

#### 50<sup>TH</sup> ANNIVERSARY DINNER

At our 50<sup>th</sup> Anniversary Dinner, we paid tribute to not just our staff and industry partners, but also honoured our pioneers who laid the foundation for the Company's success.



#### CHARITY CAMPAIGN

We raised \$350,000 in support of Community Chest.

# JOINT STATEMENT BY CHAIRMAN & GROUP CEO



**BOB TAN BENG HAI**  
CHAIRMAN

**JEFFREY SIM VEE MING**  
GROUP CHIEF EXECUTIVE OFFICER

## AN AUSPICIOUS AND EVENTFUL YEAR

2023 was an auspicious year for SBS Transit as we marked 50 years of providing public transport services in Singapore.

All our staff can take pride in the continuous progress we have made over the past five decades. As showcased in our Golden Jubilee roving exhibitions at our bus interchanges and MRT stations, our public transport services have not stopped evolving to serve the changing travel needs of our passengers.

In 2023, we remained the biggest public bus operator in Singapore with a market share of 62% by number of bus routes operated. Our rail network – comprising the Downtown Line, the North East Line and the Sengkang Punggol LRT, which together span 83 km with 78 stations – gave us a market share of 30% of the railway's total track length.

With the lifting of pandemic restrictions, we witnessed in 2023 a resurgence in bus and rail ridership. In total, SBS Transit now moves 3.5 million passenger trips every day. To be able to serve this large a number is an achievement we are proud of and also humbled by.

## BUS OPERATIONS

2023 marked our seventh year of operations under the Bus Contracting Model, where transport companies are contracted and paid to operate public bus services through a competitive tendering process. The Government retains fare revenues and owns all infrastructure and operating assets such as buses and depots.

Under this model, we have continued to operate 220 bus routes under nine bus packages. Two of our tendered contracts – Bukit Merah and Seletar Bus Packages – were put up for competitive tendering again as they were due to expire within the next two years. We

were successful in our bid for the Bukit Merah Bus Package. We are awaiting the results of the Seletar Bus Package which closed on 4 March 2024.

Besides the two tendered contracts, SBS Transit is the incumbent operator of seven negotiated bus contracts. Six of them have had their contracts extended in recent years. Unfortunately, we did not manage to retain the Jurong West Bus Package, which will expire in August 2024.

We have also stepped up efforts in the recruitment of Bus Captains in our tight labour market. To make the profession more attractive, in particular to Singaporeans and Permanent Residents, we have revised our salary package to be the most competitive in the industry and increased our sign-on bonuses to \$10,000. We have also provided career progression opportunities where all Bus Captains can enjoy rewarding careers with us. In 2023, we succeeded in recruiting 760 new Bus Captains.





**We have made it our work culture to encourage our staff to pursue every opportunity to boost productivity at the workplace – from innovations to redesign of work. One such initiative involved the review of the Downtown Line train maintenance scheduling, which yielded an average saving of \$1.8 million annually.**

**In 2023, we shared 100% of our total productivity savings of about \$12 million with our staff, with each SBS Transit staff receiving \$1,200.**



#### **RAIL OPERATIONS**

With the lifting of pandemic measures, our rail services experienced double-digit growth of 18.7% in 2023, with 428 million passenger trips made. We are heartened by the resurgence in rail ridership which was just 3.7% short of the 2019 pre-pandemic ridership level.

On rail reliability, the nationwide MRT network's average Mean Kilometre Between Failure, a universally recognised measure of rail reliability, was 2.08 million train-km in 2023. The Downtown Line well exceeded the industry's average performance while the North East Line turned in a steady 2.06 million train-km. The Sengkang Punggol LRT also performed reliably, doubling the nationwide LRT network's average of 546,000 car-km. Our rail teams have done an excellent job to keep our three rail networks operating without any major disruptions in 2023 and we applaud their efforts.

On future projects, we worked hard in 2023 to develop comprehensive bids to operate and manage the upcoming Jurong Region Line and the Cross Island Line, working in partnership with France's RATP Dev, a leading public transport operator. The 24-km Jurong Region Line will be Singapore's seventh MRT line while the extensive Cross Island Line, at more than 50 km long, will bolster the resilience of the MRT network with its many interchange stations. We

are confident that our rail experience will put us in good stead in these bids.

#### **PRODUCTIVITY IN THE WORKPLACE**

We have made it our work culture to encourage our staff to pursue every opportunity to boost productivity at the workplace – from innovations to redesign of work. One such initiative involved the review of the Downtown Line train maintenance scheduling, which yielded an average saving of \$1.8 million annually.

In 2023, we shared 100% of our total productivity savings of about \$12 million with our staff, with each SBS Transit staff receiving \$1,200.

As part of skills upgrading, we have also actively promoted a learning culture in the organisation. A major initiative involved training programmes for Bus Captains in supervisory roles to equip them with skills to coach and mentor junior colleagues. This also enables them to advance their own careers in operations management.

Employing technology for enhanced learning is another key strategy. One standout example is our mixed reality simulator for Light Rail Vehicle training, which replaced the traditional mode of training on actual trains. This also enables our LRT staff to acquire competencies in managing emergencies and crisis situations.



# JOINT STATEMENT BY CHAIRMAN & GROUP CEO

**“  
As the industry leader, we forged a partnership with Enterprise Singapore to establish a Mobility Innovation Centre to drive the co-creation of innovative mobility solutions. Bringing together government agencies, industry experts, academia, start-ups, and other key stakeholders, we are hopeful this Centre will address some of the challenges faced by the transport sector.  
”**

## **TOWARDS A SUSTAINABLE FUTURE**

In 2023, about nine in 10 buses in our fleet of 3,572 buses met the Euro 5 or higher emission standards, which minimise environmental pollution. Of these, 57 were “green” buses, comprising 32 fully electric and 25 diesel-hybrid ones.

More green buses will enter our fleet under the Land Transport Master Plan 2040, which is the industry’s major sustainability roadmap. SBS Transit has already begun detailed studies to build capabilities in battery management and disposal, in preparation for a fully green fleet.

In train maintenance, we have embarked on an initiative to do 3D printing of train parts locally. This will boost efficiency, minimise downtime and reduce our carbon footprint. We are also exploring the use of AI to cut back on energy consumption by up to 3,000 megawatt-hours annually.

In the area of diversity and inclusivity, we have continued to explore new initiatives and technologies to promote safe and independent commuting for passengers with disabilities.

A key initiative was the launch of Waymap-SG – an audio-based wayfinding app for the visually impaired that functions without the need for GPS, WiFi or Bluetooth signals. Done in collaboration with the London-based Waymap, this is the first of its kind in the Asia-Pacific. We are grateful to the Singapore Association for the Visually Handicapped and to Guide Dogs Singapore for working closely with us to fine-tune and test the app for user-friendliness.

Another of our initiatives, “Find Your Way” in partnership with Dementia Singapore, received positive feedback from passengers living with dementia and from the elderly. Our colour-coded murals depicting nostalgic items and directional floor stickers have made it easier for them to navigate our transport nodes. With the encouraging feedback, we are launching Phase Two

with another 18 premises, up from the current nine.

Meanwhile, SBS Transit is continuing to hire individuals with disabilities – 30 of them are currently serving in frontline and support positions. Our goal is to hire a total of 100 of them within the next four years.

More details are found in our Sustainability Report.

## **PRIORITISING WORKPLACE SAFETY**

In 2023, our workplace injury rate improved across our bus and rail businesses. Notably, we recorded a 23% decrease in our bus workplace injury rate, resulting from renewed efforts to put safety first.

We have also explored a new technological solution using digital side mirrors inside our buses to further enhance the visibility of blind spots for Bus Captains. The initial trial results were favourable and more buses will be fitted with this system in 2024 to further assess its effectiveness.

While we continue to cater to our employees’ physical health needs, we have not overlooked their mental well-being. We have invested in a mobile app that provides employees round-the-clock accessibility to services and resources should they face mental health challenges.

## **PARTNERSHIPS**

As the industry leader, we forged a partnership with Enterprise Singapore to establish a Mobility Innovation Centre to drive the co-creation of innovative mobility solutions. Bringing together government agencies, industry experts, academia, start-ups, and other key stakeholders, we are hopeful this Centre will address some of the challenges faced by the transport sector.

To drive sustainability in public transport, we signed a Memorandum of Understanding (MOU) with Engie, a global leader in low carbon energy and services. Several other MOUs were signed with local and international



We now have 14 Directors on the Board, with a female director ratio of close to 30%.

### APPRECIATION

As Chairman, I would like to thank Management and staff for their tireless commitment and dedication which have made SBS Transit a leading public transport operator with a reputation for safety and reliability.

To our fellow Directors, thank you for your invaluable contributions, and unwavering support.

To the National Transport Workers' Union, we appreciate working closely together to forge a strong and harmonious tripartite partnership.

Special thanks to the Ministry of Transport, LTA, Public Transport Council and other agencies for your understanding, support and assistance.

To our passengers, thank you for supporting and riding with us for the past 50 years. We remain committed to improving our services and standards in serving your travel needs.

Last but not least, we would like to express our appreciation to our loyal Shareholders.

partners such as Siemens Mobility, Taipei Rapid Transit Corporation, Technical University of Munich (Asia) and SG Enable with the aim of shaping a smarter, greener, more accessible, and sustainable public transportation system in Singapore.

### RECOGNITION AND AWARDS

In 2023, we won a string of awards including:

- Singapore Corporate Governance Award (mid-cap), Singapore Corporate Sustainability Award (mid-cap), Shareholder Communication Excellence Award (mid-cap) and Most Transparent Company Award (Industrials) at the Investors' Choice Awards organised by SIAS, the Securities Investors Association (Singapore);
- Best Annual Report (Gold) at the Singapore Corporate Awards;
- Jurong West Bus Package (Excellence) and Sengkang-Hougang Bus Package (Merit) in the Operational and Workplace Safety (Bus Operator) category at the Public Transport Safety and Security Awards organised by the Land Transport Authority (LTA);
- NEL (Merit) in the Operational and Workplace Safety (Rail Operator) category at the Public Transport Safety and Security Awards organised by LTA; and
- bizSAFE Partner Award from the Workplace Safety and Health Council.

Some of our employees were individually lauded. They included:

- Our Group CEO, Mr Jeffrey Sim – Executive of the Year (Transport) at the Singapore Business Review Management Excellence Awards 2023;
- Master Technical Specialist Govindaraju Sundaravadivelu – SkillsFuture Fellowships 2023;
- Six bus technicians in two teams – Grand Champion and First runner-up at the Singapore BusTech Grand Challenge organised by LTA;
- 246 staff members – Commendation Awards at Singapore Kindness Movement's National Kindness Awards – Transport Gold 2023;
- Nine employees – Outstanding Awards at Singapore Kindness Movement's National Kindness Awards – Transport Gold 2023; and
- 1,883 staff members – Excellent Service Award (EXSA).

### DIRECTORS

We wish to welcome three new Directors – Dr Christina Lim Yui Hung, Mr Patrick Daniel, and Mr Edwin Yeo Teng Chuan.

Three Directors – Professor Lim Seh Chun, Professor Simon Yu and Ms Chua Mui Hoong – will be retiring after the Annual General Meeting on 25 April 2024. We would like to thank them for their invaluable contributions over the years.

**BOB TAN BENG HAI**  
CHAIRMAN

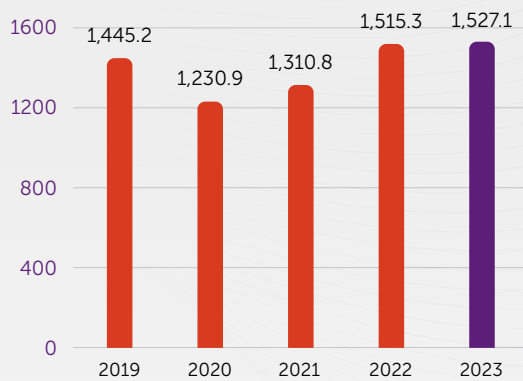
**JEFFREY SIM VEE MING**  
GROUP CHIEF EXECUTIVE OFFICER

March 2024

# GROUP FINANCIAL HIGHLIGHTS

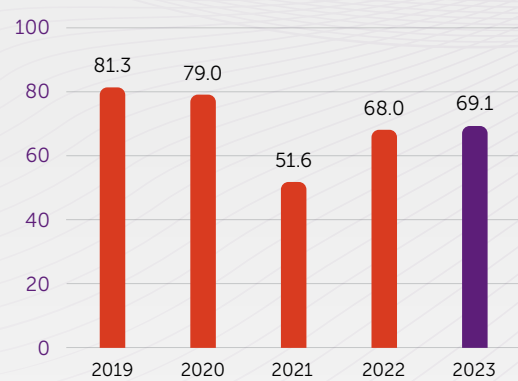
## REVENUE

(\$mil)



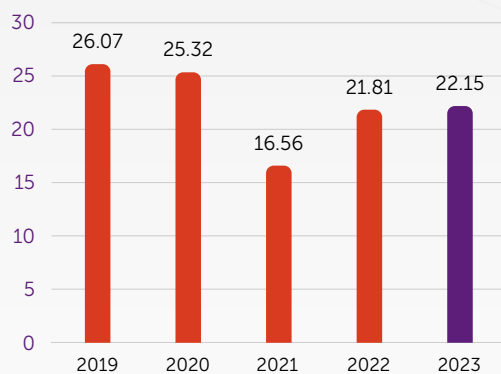
## PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(\$mil)



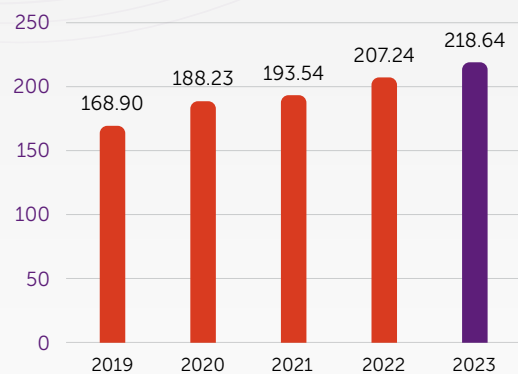
## EARNINGS PER ORDINARY SHARE

(cents)



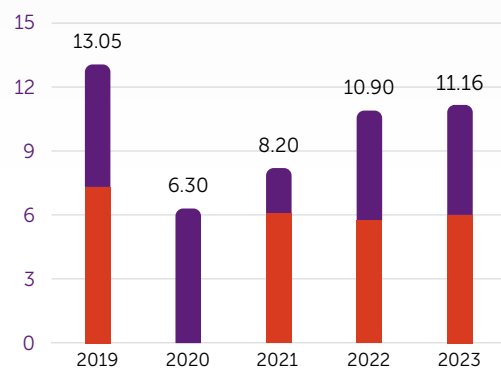
## NET ASSET VALUE PER ORDINARY SHARE

(cents)



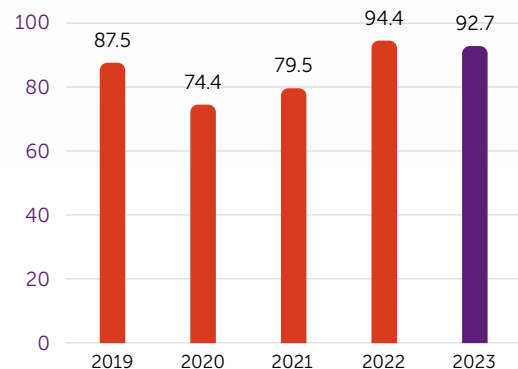
## TOTAL DIVIDEND PER ORDINARY SHARE

(cents)



## VALUE-ADDED PER EMPLOYEE

(\$'000)



■ INTERIM ■ FINAL

## FINANCIAL SUMMARY

	2019	2020	2021	2022	2023
REVENUE (\$'MIL)	1,445.2	1,230.9	1,310.8	1,515.3	1,527.1
OPERATING COSTS (\$'MIL)	1,341.7	1,151.0	1,257.3	1,435.4	1,450.5
OPERATING PROFIT (\$'MIL)	103.5	80.0	53.6	79.9	76.7
PROFIT ATTRIBUTABLE TO SHAREHOLDERS (\$'MIL)	81.3	79.0	51.6	68.0	69.1
EBITDA (\$'MIL)	207.6	189.0	158.9	173.9	169.3
ISSUED CAPITAL (\$'MIL)	100.5	100.5	100.5	100.5	100.8
CAPITAL AND RESERVES (\$'MIL)*	526.7	587.0	603.6	646.3	682.1
CAPITAL DISBURSEMENT (\$'MIL)	29.0	18.3	33.1	10.7	15.7
RETURN ON SHAREHOLDERS' EQUITY (%)	15.9	14.2	8.7	10.9	10.4
EARNINGS PER ORDINARY SHARE (CENTS)	26.07	25.32	16.56	21.81	22.15
NET ASSET VALUE PER ORDINARY SHARE (CENTS)*	168.90	188.23	193.54	207.24	218.64
INTERIM DIVIDEND PER ORDINARY SHARE (CENTS)	7.15	-	5.75	5.45	5.58
FINAL DIVIDEND PER ORDINARY SHARE (CENTS)	5.90	6.30	2.45	5.45	5.58
TOTAL DIVIDEND PER ORDINARY SHARE (CENTS)	13.05	6.30	8.20	10.90	11.16
DIVIDEND COVER (NUMBER OF TIMES)	2.0	4.0	2.0	2.0	2.0

## VALUE-ADDED FOR THE GROUP

	2019		2020		2021		2022		2023	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
SUPPLIERS OF CAPITAL – DIVIDENDS AND TERM LOAN INTEREST	48,686	5.2	21,647	2.8	38,918	4.9	26,110	2.8	35,919	3.9
TAXATION TO THE GOVERNMENT	28,731	3.1	7,488	1.0	10,841	1.4	25,302	2.7	24,235	2.7
RETAINED EARNINGS	141,266	15.2	171,207	21.8	118,976	15.0	132,950	14.5	115,518	12.6
EMPLOYEES – SALARIES AND OTHER STAFF COSTS	713,354	76.5	583,342	74.4	625,554	78.7	735,928	80.0	737,646	80.8
TOTAL VALUE-ADDED	932,037	100.0	783,684	100.0	794,289	100.0	920,290	100.0	913,318	100.0
NUMBER OF EMPLOYEES	10,657		10,534		9,988		9,753		9,853	
VALUE-ADDED PER EMPLOYEE (\$'000)	87.5		74.4		79.5		94.4		92.7	

\* FY2021 & FY2022 figures have been restated due to a change in accounting policy, the preceding years were not restated.

# BOARD OF DIRECTORS

AS AT 1 MARCH 2024



**BOB TAN BENG HAI**

CHAIRMAN OF THE BOARD

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**29 APRIL 2021**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**MR BOB TAN** is the Chairman and an Independent Non-Executive Director of the Company. He is the Chairman of the Tenders and Investments Committee and the Nominating and Remuneration Committee, as well as a member of the Sustainability and Service Quality Committee. He is also the Chairman and a Director of SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company.

Mr Tan is the Chairman of Jurong Engineering Ltd, CapitaLand Ascott Business Trust Management Pte. Ltd., CapitaLand Ascott Trust Management Limited, and Sentosa Development Corporation. He is a Securities Industry Council Member and Corporate Governance Advisory Committee Member of the Monetary Authority of Singapore, Council Member of the National Trades Union Congress (NTUC) Club Management Council, Director of Singapore Post Limited and Deputy Chairman of Tripartite Alliance Limited.

Mr Tan was awarded the Friend of Labour Award in 2000, the Public Service Star Award in 2010, the NTUC Meritorious Service Award in 2013, the Meritorious Service Medal (Pingat Jasa Gemilang) at the 2017 National Day Awards, Distinguished Service Award at the 2018 NTUC May Day Awards and the highest Distinguished Service Star Award at the 2022 NTUC May Day Awards.

He is a Fellow of the Institute of Chartered Accountants in England and Wales and the Singapore Institute of Directors.



**CHENG SIAK KIAN**

DEPUTY CHAIRMAN  
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**29 APRIL 2021**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**MR CHENG SIAK KIAN** is the Deputy Chairman of the Company as well as a Non-Independent Non-Executive Director of the Company. He is a member of the Nominating and Remuneration Committee and the Tenders and Investments Committee. He is also a Director of SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company

He first joined the Company in September 2015 and served as Senior Vice President in the bus operations division where he was an integral member of the tender team that was successful in its bid for the Seletar Bus Package. In December 2016, he was posted to Australia to helm the New South Wales operations of ComfortDelGro, SBS Transit's parent company. He returned to the Company in July 2019 to assume the appointment of Chief Operating Officer and was promoted to Acting Chief Executive Officer on 1 March 2020. Subsequently, he was appointed the Chief Executive Officer of the Company from 1 March 2021 to 31 December 2022 with a concurrent appointment as Group Deputy Chief Executive Officer of ComfortDelGro from 16 March 2022 until 31 December 2022. Mr Cheng stepped down as Chief Executive Officer of the Company on 1 January 2023 to assume the position of Managing Director/Group Chief Executive Officer of the ComfortDelGro Group.

He obtained a Bachelor of Electrical and Electronic Engineering (First Class) from the University of Manchester, United Kingdom and a Master of Business Administration from the Massachusetts Institute of Technology, USA.



**JEFFREY SIM VEE MING**

GROUP CHIEF EXECUTIVE OFFICER  
NON-INDEPENDENT EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 JANUARY 2023**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**27 APRIL 2023**

**MR JEFFREY SIM VEE MING** is a Non-Independent Executive Director and Group Chief Executive Officer of the Company. He is a member of the Tenders and Investments Committee and the Sustainability and Service Quality Committee. He is also a Director of SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company

He first joined the Company in 2015 and has helmed various appointments including being the Head of the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT), and Head of Rail Development and Head of Engineering for NEL and SPLRT. In January 2022, he was appointed the CEO of the Company's Rail Business. Mr Sim was subsequently appointed the Group Chief Executive Officer of the Company on 1 January 2023.

He is a Fellow and a Chartered Engineer accredited by the Institution of Engineers, Singapore (IES), and sits on the Board of the Singapore Rail Academy established by the Land Transport Authority. He is also the Chairman of the UITP (Union Internationale des Transports Publics) Asia-Pacific Urban Rail Committee, an Industry Advisory Committee member of the Singapore Institute of Technology's Engineering Systems Programme as well as the Chief Expert of Rapid Transit Systems for World Skills Singapore. A member of the Transportation Standards Committee, he participates in the development and maintenance of relevant standards for the transportation industry.

He holds a Bachelor (Honours) and a Master of Engineering from the National University of Singapore (NUS) as well as a Master of Arts (with distinction) from Massey University, New Zealand. He has also attended executive management programmes conducted by the Lee Kuan Yew School of Public Policy and the NUS Business School.

# BOARD OF DIRECTORS

## AS AT 1 MARCH 2024



### LIM TIEN HOCK

CHIEF EXECUTIVE OFFICER, BUS BUSINESS  
NON-INDEPENDENT EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**27 APRIL 2023**

**MR LIM TIEN HOCK** is Chief Executive Officer of the Company's Bus Business as well as a Non-Independent Executive Director. Mr Lim is also a Director of SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company.

Prior to this, he was the CEO of ComfortDelGro Driving Centre Pte Ltd and ComfortDelGro MedCare Pte Ltd. He joined the ComfortDelGro Group, the Company's parent company, in June 2012 and was Senior Vice President, Group Human Resource, ComfortDelGro, until his appointment to ComfortDelGro Driving Centre in August 2018. Mr Lim also held directorship in several subsidiaries of the ComfortDelGro Group, including Comfort Transportation Pte. Ltd., CityCab Pte Ltd and Ming Chuan Transportation Pte. Ltd.

Active in grassroots and community work, Mr Lim had previously been the Vice-Chairman of the Bukit Timah Citizens' Consultative Committee and also Chairman of the Bukit Timah Community Sports Club. A councillor with the Holland-Bukit Panjang Town Council, he had also served on the Committee of Community Chest Singapore.

Mr Lim had served in a number of senior appointments in the Ministry of Defence, Singapore and the Singapore Armed Forces, covering stints in training, operations and human resource.

He graduated from University College London, United Kingdom and holds a Master in Engineering (Electrical and Electronic). Mr Lim also holds a Master of Business Administration from Nanyang Fellows – MIT Sloan Programme.



### DESMOND CHOO PEY CHING

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**29 APRIL 2021**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**MR DESMOND CHOO** is an Independent Non-Executive Director of the Company. He is a member of the Nominating and Remuneration Committee.

He is currently the Assistant Secretary-General at the NTUC, overseeing the economic and social policies, strategic communications and international affairs teams. He is also the Executive Secretary of the Union of Telecoms Employees of Singapore and Adviser to Young NTUC.

Mr Choo is an elected Member of Parliament for Tampines Group Representative Constituency and the Adviser to Tampines Changkat Grassroots Organisations since 2015. He is also the Mayor of the North East District of the People's Association, overseeing social and community development for 20 constituencies. He is also the Vice Chairman of the Tampines Town Council. He also serves as Chairman of the Government Parliamentary Committee (GPC) for Manpower.

Mr Choo also sits on the Board of Directors for Surbana Jurong Pte Ltd and is a Board Member of the Singapore Economic Development Board (EDB).

Prior to NTUC, he had served in various roles in the Singapore Police Force (SPF), Ministry of Manpower as well as in the private sector. Prior to his NTUC appointment, he was Senior Vice President, Investments, of Kestrel Capital Pte Ltd. He was instrumental in leading the acquisition of Spanish La Liga's Valencia CF and development of the non-profit Foundation of Valencia CF. He was on the Board of the Foundation of Valencia CF. He also advised on the development of Hotel Football in Manchester, UK.

Mr Choo was awarded the SPF Overseas Merit Scholarship in 1997 to read Economics and Social Sciences at the University of Chicago.





**CHUA MUI HOONG**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**26 APRIL 2019**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**27 APRIL 2023**

**MS CHUA MUI HOONG** is an Independent Non-Executive Director of the Company. She is a member of the Sustainability and Service Quality Committee.

Ms Chua is a journalist and a Senior Columnist of The Straits Times, Singapore's leading English language daily news publication and was the Opinion editor from 2011 to 2020. She is the author of several books, including Singapore, Disrupted (2018).

She writes regularly on social and political affairs.

She is a former board member of the Agri-Food and Veterinary Authority, where she was a member of the Audit and Risk Committee. She is also a former director of Straits Times Press Pte. Ltd., a subsidiary of Singapore Press Holdings Limited (as it was then known).

She has over 30 years' experience in the media sector. As Senior Columnist at The Straits Times, she writes a weekly column on public interest matters including on regulatory and governance issues.

Ms Chua holds a Bachelor of Arts (Honours) in English literature from Cambridge University and a Master in Public Administration from the Harvard Kennedy School.



**PATRICK DANIEL**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 JANUARY 2024**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**N.A.**

**MR PATRICK DANIEL** is an Independent Non-Executive Director of the Company. He is also a member of the Sustainability and Service Quality Committee.

Mr Daniel had a 3-decade career with Singapore Press Holdings (SPH). Prior to joining the media industry, he served in the Singapore Government Administrative Service, where his last position was director in the Ministry of Trade and Industry.

He joined SPH as a senior writer in the Straits Times in October 1986. He was editor of the Business Times from 1992 to 2002 and editor-in-chief of SPH's English, Malay and Tamil newspapers from 2007 to 2016. He retired as SPH's Deputy CEO in September 2017 and served as a consultant to SPH until August 2018.

Mr Daniel returned to the media industry in July 2021 when he was appointed a director and interim CEO of SPH Media Trust which took over the media business of SPH. He stepped down as interim CEO in February 2022 and remains a director of SPH Media Trust.

Mr Daniel graduated from University College, Oxford in 1976 with a Bachelor of Arts (Honours) in Engineering Science and Economics. He has a Master of Public Administration from the Kennedy School of Government, Harvard University.

His other current appointments include non-executive director of Stewardship Asia Centre, as well as non-executive chairman of ShareInvestor Holdings. He is also president of the Singapore Press Club.

His previous recent appointments include serving on the boards of the Singapore University of Technology and Design and the National University Health System.

# BOARD OF DIRECTORS

## AS AT 1 MARCH 2024



**SUSAN KONG YIM PUI**

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 OCTOBER 2017**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**27 APRIL 2023**

**MS SUSAN KONG YIM PUI** is a Non-Independent Non-Executive Director of the Company. She is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Tenders and Investments Committee.

Ms Kong was appointed an Independent Non-Executive Director of ComfortDelGro, the Company's parent company, with effect from 1 January 2023, when she was redesignated a Non-Independent Non-Executive Director of the Company.

Ms Kong has been a practicing lawyer for more than 30 years and founded Q.E.D. Law Corporation. She is recognised as a leading practitioner in the areas of Banking and Finance, Real Estate, Mergers and Acquisitions and Capital Markets by Chambers Global, IFLR 1000, AsiaLaw and Euromoney Legal Group Guide.

Ms Kong has extensive international experience advising multinational companies, banks and financial institutions on investments and multi-jurisdictional joint ventures in ASEAN countries, China, India and Australia. On the corporate front, Ms Kong has been a director of Surbana Corporation Private Limited and UOB Radanasin Bank Public Company Limited in Thailand before it was reorganised as UOB Thailand.

Ms Kong is Chairperson of Singapore Tyler Print Institute, an art institution that has participated in many art fairs globally and has collaborations with artists and art institutions all over the world. Ms Kong is also a Director of HealthServe Limited.

Ms Kong holds a Bachelor of Laws (Hons) from the National University of Singapore.



**LEE SOK KOON (MRS CONSTANCE KOH)**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 MAY 2017**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**MRS CONSTANCE KOH** is an Independent Non-Executive Director of the Company. She is the Chairperson of the Audit and Risk Committee and a member of the Tenders and Investments Committee.

She is also an Independent Non-Executive Director of Japan Foods Holding Ltd, Lum Chang Holdings Ltd and Mooreast Holdings Ltd, all of which are public listed companies on the Singapore Exchange and an honorary member of the Fundraising Committee of Singapore Arts School Ltd, Singapore's first pre-tertiary specialised arts school. Mrs Koh is also an independent Non-Executive Director of NUS America Foundation, Inc., a tax exempt public charity in the United States of America and a member of the Finance and Investment Committee of The Singapore Island Country Club ("**SICC**"). The appointment in SICC ended on 29 September 2023.

Mrs Koh was the Director of Operations in the Development Office of the National University of Singapore from May 2012 to August 2017. Prior to this appointment, Mrs Koh was the Finance Director of Lum Chang Holdings Ltd and L.C. Development Ltd (now known as AF Global Limited), both public companies which are listed on the Singapore Exchange. She was responsible for the finance and corporate affairs of the two listed companies covering all financial matters, corporate governance, tax, legal, corporate communications and internal audit for more than 20 years.

Mrs Koh holds a Bachelor of Accountancy (Hons) from the then University of Singapore in 1975. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a member of the Institute of Directors in Singapore.



**LIM SEH CHUN**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 OCTOBER 2012**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**29 APRIL 2021**

**PROFESSOR LIM SEH CHUN** is an Independent Non-Executive Director of the Company. He is the Chairman of the Sustainability and Service Quality Committee and a member of the Nominating and Remuneration Committee.

Professor Lim is the Advisor, Special Projects, Office of Provost at the Singapore University of Technology and Design, after serving for more than nine years as the Associate Provost for Student Affairs. Prior to this, he spent more than 30 years with the National University of Singapore during which he held a number of management appointments including Special Assistant (Policy) to the Vice-Chancellor, Chief of Staff, Acting Director of Institutional Resources, an Associate President, Head of Department of Mechanical Engineering, Director of NUS-CREATE and Deputy Dean of Faculty of Engineering. His main research effort is to understand the friction and wear behaviour of engineering materials.

Professor Lim was a Public Service Commission (PSC) Overseas Merit Scholar. He holds a Bachelor of Arts (Hons) in Engineering Science from Oxford University, Master of Arts from Oxford University, Master of Engineering from National University of Singapore and Doctor of Philosophy from Cambridge University. He is a Fellow of the Institution of Engineers, Singapore, the Institution of Mechanical Engineers, UK and the Institute of Materials, Minerals and Mining, UK. He is a registered Professional Engineer in Singapore and a Chartered Engineer in the UK. He was awarded the Public Administration Medal (Silver) in 2005 and the Long Service Medal in 2006 by the President of the Republic of Singapore.

Professor Lim was a Director of the Singapore Symphonia Company Limited until October 2017. He is presently Chairman, Singapore School of Science and Technology Board of Directors.



**CHRISTINA LIM YUI HUNG**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 OCTOBER 2023**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**N.A.**

**DR CHRISTINA LIM YUI HUNG** is an Independent Non-Executive Director of SBS Transit Ltd. She is a member of the Sustainability and Service Quality Committee. Dr Lim is also a Director of SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company.

Dr Lim holds the position of Associate Professor and serves as the Deputy Head for Outreach and Student Life in the Department of Mechanical Engineering at the National University of Singapore (NUS). Over the course of her tenure, she has taken on various management responsibilities within the Faculty of Engineering. Notably, she has held the roles of Vice-Dean for Communications and Outreach, as well as Vice-Dean for Student Life and Community Development.

Dr Lim's research focusses on the friction, wear, and erosion of engineering materials. A recipient of numerous awards for her teaching excellence, her educational approach emphasises the cultivation of critical thinking skills among her students, fostering their ability to apply technology effectively and ethically within the broader societal context. She teaches a range of subjects in the materials domain, including metallurgy and materials failure analysis.

Dr Lim was awarded the Long Service Medal in 2022 by the President of the Republic of Singapore.

She earned her BEng (Hons) from the National University of Singapore before attaining her PhD, also conferred by NUS.

# BOARD OF DIRECTORS

## AS AT 1 MARCH 2024



**TAN KIM SIEW**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 JUNE 2019**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**27 APRIL 2023**

**DR TAN KIM SIEW** is an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Committee and the Nominating and Remuneration Committee. He is also the Chairman and an Independent Non-Executive Director of VICOM Ltd.

Dr Tan is presently a Senior Consultant in the Ministry of Finance. From 2012 to 2014, Dr Tan served as Commissioner of Inland Revenue. Prior to this appointment, Dr Tan was the Permanent Secretary (Defence Development) of the Ministry of Defence from 2003 to 2012. He had also held other appointments in the public service, including Chief Executive Officer of the Urban Redevelopment Authority, Deputy Secretary in the Ministry of Finance and in the Ministry of National Development, Chairman of the Defence Science and Technology Agency, and Chairman of the DSO National Laboratories.

Dr Tan was awarded the Public Administration Medal (Silver) (Military) in 1990, the Public Administration Medal (Silver) in 1996, the Public Administration Medal (Gold) in 2001 and the Long Service Medal in 2003 by the President of the Republic of Singapore.

Dr Tan holds a Bachelor of Arts (Honours) (Engineering Tripos) with Distinction in Electronics Engineering and Doctor of Philosophy (Engineering) from the University of Cambridge, United Kingdom.



**YEO TENG CHUAN, EDWIN**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**1 JANUARY 2024**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**N.A.**

**MR EDWIN YEO TENG CHUAN** is an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Committee.

Mr Yeo has over 30 years of experience in the technology industry and held senior management positions in Fortune 500 multi-national high technology companies. Mr Yeo's experience spans business expansion throughout the Asia Pacific and Japan, with a focus on information systems, data management, protection, cloud computing, and cybersecurity.

In addition to his role with the Company, Mr Yeo holds the position of an independent co-opted member on the Digital & Information Technology Committee at ALPS Pte Ltd. This national agency manages the integrated supply chain to meet the procurement and needs of Singapore's public healthcare system. It is a subsidiary of Singapore Health Services, commonly known as SingHealth.

Mr Yeo is an active prison volunteer with the Singapore Prison Service and was recently awarded the 20-year Long Service Award. His service include counselling inmates and assisting offenders in reintegration. He also leads fundraising initiatives for women's shelter.

Mr Yeo holds a Bachelor of Engineering from National University of Singapore, a Master of Business Administration from Rutgers Business School and a Master of Laws from Paris-Panthéon-Assas University. He is a Certified Information Security Manager (ISACA CISM certification). He is also a member of the Singapore Institute of Directors.



**YU CHING MAN**

INDEPENDENT NON-EXECUTIVE DIRECTOR

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

**26 APRIL 2018**

DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:

**28 APRIL 2022**

**PROFESSOR YU CHING MAN** is an Independent Non-Executive Director of the Company. He is a member of both the Tenders and Investments Committee and Sustainability and Service Quality Committee.

Professor Yu is a Professor and Department Chair of the Department of Aerospace Engineering at the Khalifa University, Abu Dhabi, United Arab Emirates.

Prior to this, he was a Professor in the Department of Aviation Aeronautical Engineering at the Hong Kong Polytechnic University, and before that, a Professor and Programme Director in Sustainable Infrastructure Engineering (Land Transport) and Sustainable Infrastructure Engineering (Building Services) at the Singapore Institute of Technology (SIT). During his tenure as Head of Aerospace Engineering at Nanyang Technological University, he had successfully obtained a S\$50 million Grant from Civil Aviation Authority of Singapore (CAAS) to establish the Air Traffic Management Research Institute (ATMRI). He also helped to establish the LTA Research Centre for Railway Engineering at SIT. He is currently trainer for holistic gas turbine in Rolls Royce Singapore since 2010.

Professor Yu was awarded the Long Service Medal in 2017 by the President of the Republic of Singapore.

Professor Yu holds a Bachelor of Engineering (Hons), Associateship of the City and Guilds of London Institute, Doctor of Philosophy and Diploma of Imperial College from Imperial College of Science, Technology and Medicine UK. He is a Chartered Engineer (UK), Fellow of the Institution of Mechanical Engineers (UK), Fellow of the Royal Aeronautical Society (UK), Fellow of the Hong Kong Institution of Engineers, Chartered Engineer in Transportation and Fellow of the Institution of Engineers, Singapore. He was a member in the IES Council and is an Independent Assessor for Chartered Engineers in various organisations.

# KEY MANAGEMENT

## RAIL



### JEFFREY SIM VEE MING

GROUP CHIEF EXECUTIVE OFFICER, SBS TRANSIT  
CHIEF EXECUTIVE OFFICER, SBS TRANSIT RAIL BUSINESS

Mr Jeffrey Sim Vee Ming is the Group Chief Executive Officer (CEO) of SBS Transit and concurrently, the CEO of its Rail Business. He has been with the Company since 2015 and had held various appointments including being the Head of the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT), and Head of Engineering for both networks.

He is a Fellow and a Chartered Engineer accredited by the Institution of Engineers, Singapore (IES) and sits on the Board of the Land Transport Authority's Singapore Rail Academy. He is also the Chairman of the UITP Asia-Pacific Urban Rail Committee, an Industry Advisory Committee member of the Singapore Institute of Technology's (SIT) Engineering Systems Programme as well as the Chief Expert of Rapid Transit Systems for WorldSkills Singapore. A member of the Transportation Standards Committee, he participates in the development and maintenance of relevant standards for the transportation industry.

Before joining SBS Transit in 2015, Mr Sim was a Group Commander in the Republic of Singapore Air Force where he spent 15 years holding various senior command and staff positions in engineering, maintenance, logistics and planning. He holds a Bachelor (Honours) and a Master of Engineering from the National University of Singapore (NUS) as well as a Master of Arts (with distinction) from Massey University, New Zealand. He has also attended executive management programmes conducted by the Lee Kuan Yew School of Public Policy and the NUS Business School.



### LEE YAM LIM

HEAD DOWNTOWN LINE

Mr Lee Yam Lim is the Head of Downtown Line (DTL). He has been with the Company for more than 20 years and was appointed to this position in May 2022. He was extensively involved in the start-up and maintenance of the NEL, which was reputed as the world's first automated heavy metro system. He was also extensively involved in the bid for the DTL and upon the award of the contract, headed its Signalling Department.

Mr Lee obtained a Bachelor of Computer Technology from NTU. He is a member of the IES and a registered Chartered Engineer in Railway Engineering accredited by the IES.



### MOK PENG FAI, ANTHONY

HEAD NORTH EAST LINE AND SENGKANG-PUNGGOL LIGHT RAPID TRANSIT

Mr Mok Peng Fai, Anthony was appointed Head of the NEL and the SPLRT systems on 1 April 2022.

He has close to 22 years of railway experience starting out as a Chief Controller in the NEL's Operations Control Centre (OCC) where he was heavily involved in the start-up of the NEL, which was the world's first automated underground heavy metro system. Over the years, he assumed responsibilities for the daily operations of the SPLRT as well as the NEL's OCC. In October 2017, he was appointed Head of Operations for the NEL and SPLRT.

Mr Mok holds diplomas in Mechanical Engineering from the Singapore Polytechnic and in Management Studies from the Singapore Institute of Management.



### FOO JANG KAE

HEAD RAIL ENGINEERING & PERFORMANCE

Er. Foo Jang Kae is the Head of Engineering and Performance for the Rail division of SBS Transit. He is an experienced railway engineer specialising in railway traction power system. He had previously headed the engineering division of all the three rail lines operated by SBS Transit in his 23 years with the Company.

He is a registered Professional Engineer and a Licensed Electrical Engineer in Singapore. A Fellow and a Chartered Engineer accredited by the IES, he is also a Chartered Engineer with the Engineering Council UK and a Member of the Institution of Engineering and Technology (UK). Er. Foo also serves as a member of the Industry Advisory Committee of the SIT's Electrical Power Engineering Programme.

He graduated with a First Class Honours in Electrical and Electronic Engineering from Strathclyde University (UK). A British High Commission Raffles Scholarship recipient, he holds a Master of Science in Electrical Power Engineering from the University of Manchester Institute of Science and Technology (UK).

**KOH BOON YEOW**

HEAD RAIL ENGINEERING  
(NORTH EAST LINE AND SENGKANG-PUNGGOL LIGHT RAPID TRANSIT)

Mr Koh Boon Yeow was appointed Head of Engineering for the NEL and the SPLRT in April 2022. He has been with the company since 2018 and had served in various positions including being the Head of Rolling Stock for both NEL and SPLRT as well as Head of Signalling and Communications for SPLRT.

Prior to joining SBS Transit, he had about 17 years of experience in engineering and maintenance. He obtained a Bachelor of Engineering (Honours) in Electrical Engineering from the NUS as well as a Master of Science in Communications Engineering from the NTU.

**PANG YEOW WEI**

HEAD RAIL ENGINEERING  
(DOWNTOWN LINE)

Mr Pang Yeow Wei is the Head of Engineering for the DTL. He is responsible for the effective operations and maintenance of the metro systems to achieve high levels of safety and reliability performance. Before assuming this appointment, he had helmed various senior roles including Head of Rail Projects and Head of Rail Risk.

He holds a Bachelor of Engineering (Honours) from McGill University, a Master of Science from the NUS, and an Executive Master of Business Administration from NTU. He is also accredited as a Chartered Engineer by the Institution of Engineers, Singapore and the Engineering Council, United Kingdom.

**SHAUN LIEW HIN BAN**

HEAD CUSTOMER EXPERIENCE & OPERATIONS  
(NORTH EAST LINE AND SENGKANG-PUNGGOL LIGHT RAPID TRANSIT)  
AND ACTING HEAD RAIL OPERATIONS & SUPPORT

Mr Shaun Liew is the Head of Customer Experience and Operations for the NEL and SPLRT and concurrently, the Acting Head of Rail Operations and Support. He has been with the company since 2022 and had served as the Deputy Head of Customer Experience and Operations for the NEL and SPLRT where he led the innovation effort for rail operations.

He holds a Bachelor of Engineering (Honours) in Electrical and Electronics Engineering from NTU.

**QUEK CHIN HOCK**

HEAD CUSTOMER EXPERIENCE & OPERATIONS  
(DOWNTOWN LINE)

Mr Quek Chin Hock was appointed Head of Customer Experience & Operations of the DTL in January 2022. Prior to this, he was Head of Infrastructure and Permanent Way and has more than 20 years of experience in the maintenance of MRT Building Facilities and Permanent Way Track. His involvement with the NEL started when he interned as a student during the construction of the Little India and Farrer Park Stations before joining the Company in 2001.

Mr Quek holds a Bachelor in Civil Engineering from NTU of Singapore. He is also a Chartered Engineer accredited by the IES.

**HO KAH WEI, DANNY**

HEAD RAIL DEVELOPMENT

As Head of Rail Development, Mr Danny Ho is responsible for leading projects and organisation-wide initiatives to enhance efficiency and effectiveness in operations and engineering including improvements in business processes.

Before he assumed this appointment, Mr Ho was the Deputy Head of Rolling Stock of the NEL and SPLRT, where he led the asset renewal efforts for the various rolling stock systems.

Mr Ho holds a Bachelor of Engineering (Honours) from the NUS and a Master of Engineering from the Naval Postgraduate School in Monterey, California. He also graduated with a Master of Defence Technology and Systems from the Temasek Defence Systems Institute in NUS.

# KEY MANAGEMENT

## BUS



### LIM TIEN HOCK

CHIEF EXECUTIVE OFFICER, BUS BUSINESS

Mr Lim Tien Hock was appointed Chief Executive Officer (CEO) of SBS Transit's Bus Business on 1 April 2022. Prior to this, he was the CEO of ComfortDelGro Driving Centre Pte Ltd and ComfortDelGro MedCare Pte Ltd. He joined the ComfortDelGro Group, which is SBS Transit's parent company, in June 2012 and was Senior Vice President, Group Human Resource, ComfortDelGro, until his appointment to ComfortDelGro Driving Centre in August 2018.

Mr Lim had served in a number of senior appointments in the Ministry of Defence, Singapore and the Singapore Armed Forces covering stints in training, operations and human resource. He graduated from University College London, United Kingdom and holds a Master in Engineering (Electrical and Electronic). Mr Lim also holds a Master of Business Administration from Nanyang Fellows – MIT Sloan Programme.



### PANG FUI ENG, IVAN

HEAD BUS ENGINEERING

Mr Pang Fui Eng, Ivan is Head of the Bus Engineering since 2016 and oversees all its departments in Bus Engineering, Maintenance Planning and Bus Asset, Maintenance Operations and Support, and Quality Systems and Projects as well as the seven workshops and their Supplies sections. He joined SBS Transit as Deputy General Manager of Fleet Management in January 2007 after 25 years in the Singapore Armed Forces' Army Logistics Department.

He holds a Bachelor of Engineering (1st Class) in Mechanical Engineering from the University of Birmingham (UK) and a Master of Science (Gun Systems Design) from Cranfield University (UK).



### TAN ENG KOK, IVAN

HEAD OF BUS

Mr Tan Eng Kok, Ivan is Head of Bus in SBS Transit. He joined SBS Transit in 1996 as Vice President (Corporate Development) and later assumed the position of Vice President (Operations). He was subsequently appointed Vice President in charge of bus operations for West District in 1998. He was promoted to Senior Vice President on 1 January 2012.

Mr Tan holds a Bachelor of Engineering (Honours) in Mechanical Engineering and a Master of Business Administration from NUS.



### BERNARD GOH TZER MING

HEAD CUSTOMER EXPERIENCE & OPERATIONS

Mr Goh Tzer Ming, Bernard was appointed Head of Customer Experience & Operations for Bus on 1 July 2023. He has more than 22 years of experience in Bus Business at SBS Transit. He started as an Interchange Manager of Toa Payoh Interchange in 2001 where he oversaw the opening of the first Integrated Transport Hub in Singapore. He later took on other roles as Head Bus Training and Head of Hougang Depot.

Mr Goh holds a Bachelor of Science (Honours) from NUS.



### GOH PIN KAI

HEAD BUS DEVELOPMENT

Mr Goh Pin Kai is the Head of Bus Development with over 18 years of experience at SBS Transit. He is responsible for bus schedules, business intelligence, and managing bus contracts and tender bids. Mr Goh is a strong advocate for using technology to improve bus operations. He has been involved in overseeing the transition to electric buses, as well as implementing energy and emission management systems. He is also a proponent of using mobile technology and data to improve operations and engineering systems.

Mr Goh obtained a Bachelor of Engineering (2nd Class Upper) in Civil and Structural Engineering and a Master of Engineering from the NTU.



## CORPORATE



**CHEW KUM EE**

CHIEF FINANCIAL OFFICER

Ms Chew Kum Ee was appointed Chief Financial Officer on 11 May 2018 where she holds responsibilities for accounting, financial and statutory reporting, financial controls, budgeting, and taxation matters.

Prior to joining SBS Transit in December 2017, she was the Finance Director of Group Enterprise at Singapore Telecommunications Limited. She has over 20 years of financial management and accounting experience, including eight years in audit with PricewaterhouseCoopers.

She graduated with a Bachelor of Accountancy (Second Upper Honours) from NTU and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.



**NGOH PENG GUAN**

HEAD RISK & SUSTAINABILITY & HEAD BUS SUPPORT

Mr Ngoh Peng Guan is Head of Risk & Sustainability and concurrently, Head of Bus Support. He has been with SBS Transit for close to 30 years and amassed extensive experience in the bus industry including Service Performance, System Development, Operations Development and Depot Operations.

He holds a Bachelor of Engineering (Honours) from NTU, a Master of Science in Transportation Systems and Management from NUS and a Master of Business Administration from University of Southern Queensland. He also completed a programme in Public Transportation Service and Operations Planning at the Massachusetts Institute of Technology (USA) and is a Chartered Member of The Chartered Institute of Logistics and Transport.



**LEOW CHEE YEN, DON**

CHIEF HUMAN RESOURCE OFFICER

Mr Leow Chee Yen, Don currently serves as the Chief Human Resource Officer, overseeing human resource management and development at SBS Transit. In this role, he is tasked with managing and nurturing the Company's human capital and talent, with a focus on recruitment, retention, engagement and development initiatives.

Prior to his tenure at SBS Transit, he held positions at the Ministry of Trade and Industry and Ministry of Defence, where he played a key role in business partnering, compensation and benefits management, recruitment as well as employee engagement and welfare.

Mr Leow holds a Bachelor of Arts and Social Sciences Honours (Second Class Upper) from the NUS and is a certified Senior Professional of the Singapore Institute for HR Professionals.



**LOH TENG JOO**

HEAD INFORMATION TECHNOLOGY

Mr Loh Teng Joo is the Head of Information Technology (IT) where he is responsible for digital and information technology to deliver strategic and operational objectives that encompass safety, resilience and value to customers. His portfolio includes corporate, applications, infrastructure, cybersecurity and data analytics services.

Prior to joining SBS Transit, he was with ComfotDelGro Corporation Limited driving its digital transformation and leading the data analytics team.

With over 20 years of experience in IT and digital transformation, he is a seasoned executive who has overseen green-field initiatives with various corporations in diverse industries, including eCommerce, logistics, healthcare, and aviation. Mr Loh holds a Bachelor of Engineering (Electrical Engineering) from NUS.

# KEY MANAGEMENT

## CORPORATE



### **AU CHEEN KUAN**

GENERAL COUNSEL AND COMPANY SECRETARY

Mr Au Cheen Kuan joined SBS Transit on 1 October 2021 as General Counsel and was appointed Company Secretary on 28 April 2022 where he provides legal and corporate secretarial support. He was formerly Group Legal Counsel of a drilling services contractor. He holds a Bachelor of Laws from the University of Nottingham, UK and was admitted to the Singapore Bar.



### **CHONG YEW FUI, ADRIAN**

COMFORTDELGRO GROUP  
GROUP CHIEF INTERNAL AUDIT OFFICER

Mr Chong Yew Fui, Adrian is Group Chief Internal Audit Officer of ComfortDelGro Corporation Limited. He is responsible for the internal audit functions of the Group, including SBS Transit. Prior to joining the Group in 2017, Mr Chong served several operational roles heading the Procurement, Commercial and Contracts Functions in Hyflux Ltd. He has considerable experience in the audit profession in listed companies such as ECS Holdings Ltd and Solectron Corporation.

Mr Chong holds a Bachelor of Commerce (Accounting and Finance) from Murdoch University and is a member of CPA Australia. He is a Certified Information Systems Auditor and Certified Information Security Manager under ISACA.



### **ANGELINE JOYCE LEE**

COMFORTDELGRO GROUP  
GROUP GENERAL COUNSEL AND COMPANY SECRETARY

Ms Angeline Joyce Lee joined ComfortDelGro Corporation Limited in September 2020 as Group General Counsel and Company Secretary to oversee the Group's legal and corporate secretariat matters, as well as compliance and corporate governance to facilitate business processes and organisational efficiency. Ms Lee holds a Master in Business Law from the University of Westminster in the United Kingdom and is a Chartered Secretary and Certified Risk-based Auditor.



### **CHRISTOPHER DAVID WHITE**

COMFORTDELGRO GROUP  
HEAD GROUP INVESTOR RELATIONS

Mr Christopher White is Head of Group Investor Relations for ComfortDelGro Corporation Limited. He serves as the Group's as well as SBS Transit's liaison to the investor community including investment analysts and investors worldwide. Mr White holds a Bachelor of Business Studies (Honours) from the University of Liverpool, United Kingdom, and is a Fellow of the Association of Chartered Certified Accountants.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**BOB TAN BENG HAI**  
CHAIRMAN

**CHENG SIAK KIAN**  
DEPUTY CHAIRMAN  
(Stepped down as Group CEO and redesignated  
as Deputy Chairman on 1 January 2023)

**JEFFREY SIM VEE MING**  
GROUP CHIEF EXECUTIVE OFFICER  
(Appointed on 1 January 2023)

**LIM TIEN HOCK**  
**DESMOND CHOO PEY CHING**  
**CHUA MUI HOONG**  
**PATRICK DANIEL** (Appointed on 1 January 2024)  
**SUSAN KONG YIM PUI**  
**LEE SOK KOON**  
**LIM SEH CHUN**  
**CHRISTINA LIM YUI HUNG** (Appointed on 1 October 2023)  
**TAN KIM SIEW**  
**EDWIN YEO TENG CHUAN** (Appointed on 1 January 2024)  
**YU CHING MAN**

## AUDIT AND RISK COMMITTEE

**LEE SOK KOON**  
CHAIRPERSON

**CHENG SIAK KIAN** (Appointed on 1 January 2023 and  
Stepped down on 31 December 2023)  
**DESMOND CHOO PEY CHING** (Stepped down on  
31 December 2023)  
**CHUA MUI HOONG** (Stepped down on 27 April 2023)  
**SUSAN KONG YIM PUI**  
**TAN KIM SIEW**  
**EDWIN YEO TENG CHUAN** (Appointed on 1 January 2024)

## NOMINATING AND REMUNERATION COMMITTEE

**BOB TAN BENG HAI**  
CHAIRMAN  
(Appointed on 1 January 2023)

**SUSAN KONG YIM PUI**  
CHAIRPERSON  
(Stepped down as Chairperson of the NRC and  
remained as a member of the NRC on 1 January 2023)

**CHENG SIAK KIAN** (Appointed on 1 January 2023)  
**DESMOND CHOO PEY CHING**  
**SUSAN KONG YIM PUI**  
**LIM SEH CHUN**  
**TAN KIM SIEW**

## TENDERS AND INVESTMENTS COMMITTEE

**BOB TAN BENG HAI**  
CHAIRMAN

**CHENG SIAK KIAN**  
**SUSAN KONG YIM PUI**  
**LEE SOK KOON**  
**JEFFREY SIM VEE MING** (Appointed on 1 January 2023)  
**YU CHING MAN**

## SERVICE QUALITY COMMITTEE ("SQC")

**YU CHING MAN**  
CHAIRMAN

**CHENG SIAK KIAN** (Stepped down on 1 January 2023)  
**CHUA MUI HOONG**  
**LEE SOK KOON**  
**LIM TIEN HOCK**  
**JEFFREY SIM VEE MING** (Appointed on 1 January 2023)  
**TAN KIM SIEW**

## SUSTAINABILITY COMMITTEE ("SC")

**LIM SEH CHUN**  
CHAIRMAN

**CHENG SIAK KIAN** (Stepped down on 1 January 2023)  
**DESMOND CHOO PEY CHING** (Stepped down on  
31 December 2023)  
**CHUA MUI HOONG** (Appointed on 27 April 2023)  
**CHRISTINA LIM YUI HUNG** (Appointed on 1 October 2023)  
**LIM TIEN HOCK** (Stepped down on 27 April 2023)  
**JEFFREY SIM VEE MING** (Appointed on 1 January 2023)  
**BOB TAN BENG HAI**  
**YU CHING MAN**

## SUSTAINABILITY AND SERVICE QUALITY COMMITTEE (SC WAS COMBINED WITH THE SQC AND RENAMED THE SUSTAINABILITY AND SERVICE QUALITY COMMITTEE W.E.F. 1 JANUARY 2024)

**LIM SEH CHUN**  
CHAIRMAN

**CHUA MUI HOONG**  
**PATRICK DANIEL** (Appointed on 1 January 2024)  
**CHRISTINA LIM YUI HUNG**  
**JEFFREY SIM VEE MING**  
**BOB TAN BENG HAI**  
**YU CHING MAN**

## CORPORATE DIRECTORY

**REGISTERED OFFICE**  
205 Braddell Road  
Singapore 579701  
Mainline: (65) 6284 8866  
Facsimile: (65) 6287 0311  
Website: www.sbstransit.com.sg

Company Registration Number:  
199206653M

**COMPANY SECRETARIES**  
Angeline Joyce Lee Siang Pohr  
Au Cheen Kuan

**SHARE REGISTRAR**  
B.A.C.S. Private Limited  
77 Robinson Road #06-03  
Robinson 77  
Singapore 068896

**AUDITORS**  
Ernst & Young LLP  
(UEN: T08LL0859H)  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583

Partner-in-Charge:  
Wong Yew Chung

Date of Appointment:  
27 April 2023

# OPERATIONS REVIEW

# SINGAPORE

## PUBLIC TRANSPORT SERVICES

BASIC BUS SERVICES • EXPRESS BUS SERVICES • CITY DIRECT BUS SERVICES  
• SHUTTLE BUS SERVICES • NORTH EAST LINE • DOWNTOWN LINE  
• SENGKANG LIGHT RAIL TRANSIT • PUNGGOL LIGHT RAIL TRANSIT

**\$1,470**

REVENUE  
(S\$'MILLION)

**222**

TOTAL BUS ROUTES  
OPERATED

**78**

TOTAL STATIONS  
OPERATED

**9,936**

TOTAL NUMBER OF  
EMPLOYEES

**3,572**

TOTAL BUS FLEET

**198**

TOTAL TRAIN FLEET

### BUS SERVICES

2023 marked 50 years since we started providing public bus services to our passengers. We continued to remain dedicated in keeping Singapore moving every day – rain or shine.

### BUS CONTRACTS

In 2023, we entered our seventh year of operations under the Bus Contracting Model (BCM), where the Government retains the fare revenue and owns all infrastructure and operating assets such as depots and buses. Bus operators are contracted and paid to operate public bus services through a competitive tendering process.

SBS Transit operated a total of nine bus packages that covered 220 routes. Of these, two were tendered contracts – Bukit Merah and Seletar Bus Packages – which were awarded on a five-year term and seven came under negotiated contracts where SBS Transit is the incumbent operator.

In August 2023, we were awarded the Bukit Merah Bus Package for a second consecutive term, marking the third bus tender that we had won under the BCM. The Seletar Bus Package, which will expire in March 2025, was put up for competitive tendering that closed on 4 March 2024.

Among negotiated contracts, six have had their contracts extended while the Jurong West Bus Package will end in August 2024.

For the year under review, we remained as the biggest public bus operator with a market share of 62%. We averaged 30,258 bus trips a day – a marginal increase of 13 more trips than the previous year – and operated from 18 bus interchanges, 15 bus terminals, seven depots and a bus park.

### BUS OPERATIONS

With the Land Transport Authority (LTA) as the central planner of bus routes, we rolled out two shuttle bus services to serve the Loyang Industrial Estate,





Changi Airfreight Centre and Airport Logistics Park of Singapore. Available during weekday peak hours, LCS1 operated from Tampines and LCS2 from Punggol.

Under the BCM, a new feeder service – Service 230 – was introduced in Toa Payoh to provide convenient access to the town centre for residents residing in Kim Keat Avenue.

Six short-trip bus services – 5A, 5B, 9B, 102A, 102B and 163B – were also added to better serve the travel needs of office workers in the Changi, Simei, Sengkang and Yio Chu Kang areas during weekday peak hours.

Changes to existing bus routes were also introduced for better connection enroute for passengers or to optimise finite bus resources. These included the route of Service 160M, which was extended to serve Bukit Batok Road and Bukit Batok West Avenue 8, and renumbered as Service 993. Seven bus services – Service 35, 92/92M, 100,

111, 117A, 298 and 993 – also called at additional bus stops along their regular routes while Service 162/162M ceased serving the Thomson Road and Central Business District segments of its route with the expansion of the rail network.

Adjustments were also made to the first and last bus operating hours and the scheduled frequency of several bus services to better serve passenger travel needs. For instance, the last bus timing of Service 248M was extended to 11.15pm daily to enhance accessibility for passengers commuting to the Tuas Port. The frequency of Service 92, which operated on weekdays and Saturdays, was increased during peak periods while the last bus timings for Service 92/92M were extended to operate later.

Catering to passengers' needs for late night services, the operational hours of selected bus routes were also extended on the eve of public holidays and major events such as the Formula One Singapore Grand Prix 2023.



**In August 2023, we were awarded the Bukit Merah Bus Package for a second consecutive term, marking the third bus tender that we had won under the BCM.**



# OPERATIONS REVIEW

On festive occasions, a special bus service – Service 405 – was in operation to make it more convenient for families visiting the Choa Chu Kang Cemeteries and Columbarium to pay respects to their departed loved ones.

Forty-two temporary route diversions were also planned and conducted due to road closures for races and significant events. This ensured that our bus services could continue to operate reliably. Besides this, ad hoc route diversions in situations where roads were rendered impassable such as during floods and accidents were also carried out.

## BUS FLEET

In 2023, our fleet of 3,572 buses was fully air-conditioned and wheelchair accessible. It comprised 57% single deck buses while close to 43% were double decks and 10 of them articulated ones, also commonly known as bendy buses. About 9 in 10 buses were rated Euro 5 and above which minimised environmental pollution. We also operated 57 green buses, comprising 32 fully electric and 25 diesel-hybrid ones.

As more electric buses come onstream, our bus technicians continued to attend training programmes to be better equipped in safely handling high



voltage vehicles. In 2023, 67 of our technicians were certified under the Workforce Skills Qualification (WSQ) National Electric Vehicle Specialist Safety (NESS) course. Offered by the Institute of Technical Education (ITE) College West, the course equipped our technicians with the skills and knowledge to work safely and independently when maintaining high voltage systems. They were also equipped to be competent in managing the vehicle's components, architecture, systems, battery, charging modes and overall maintenance.

## BUS AND WORKPLACE SAFETY

We clocked 0.15 accident cases per 100,000 bus-km on the road, which was similar to 2022's rate. With paramount focus on safety in our operations, we continued to strategically invest in training, advanced systems, and innovative technology to empower our Bus Captains (BCs) to be safer and more competent drivers.

To enhance road safety by minimising blind-spot related incidents, we trialled the use of digital side mirrors on 31 buses that plied the routes of





Services 57 and 502. These advanced mirrors utilised high-definition digital cameras and internal displays that significantly expanded the BC's field of vision and enabled them to closely monitor their blind spots. Notably, the level of brightness of the mirrors were adjusted automatically to eliminate glare for optimal visibility during both daytime and nighttime operations. The trial will be expanded to include more buses in 2024.

Meanwhile, we continued with the installation of Goldeneye – a fatigue monitoring system that was first trialled in 2019. As at end 2023, 7% of the fleet or 250 buses have been installed with the system, up from some 100 the previous year. Another 400 buses will be equipped in 2024. Through the use of machine vision technology, it is able to detect the first signs of fatigue and distraction and provide real-time feedback to the Bus Captain through audio, visual and haptic alerts.

Significantly, work on enhancing the Goldeneye system to incorporate stronger post-intervention capabilities to promote better safety habits was undertaken. A newly introduced dashboard was designed to enable Interchange Managers to access the

fatigue and distraction records of BCs under their care. With the information obtained, the managers can intervene and provide counselling to their BCs. Video footage from the system can also be retrieved for use during counselling. The additional enhancement features also provide trend analysis and valuable location insights as well as generate weekly event reports of those detected with high incidence of fatigue or distraction for management.

In 2023, we completed the fleetwide installation of the handbrake smart audio device which was aimed at avoiding incidents of runaway buses. First trialled in 2022, the device sounds an alarm if the handbrake is not engaged when the BC opens the bus cabin door, stands up from his/her seat, or switches off the engine.

Besides the implementation of advanced technologies and systems, we remained steadfast in our commitment to enhancing the safety of passenger and fellow road users. In March 2023, we collaborated with the Traffic Police and KK Women's & Children's Hospital to launch the "Be Safe, Be Seen" road safety campaign. This was aimed at raising awareness among pedestrians, cyclists, and



**Besides the implementation of advanced technologies and systems, we remained steadfast in our commitment to enhancing the safety of passenger and fellow road users. In March 2023, we collaborated with the Traffic Police and KK Women's & Children's Hospital to launch the "Be Safe, Be Seen" road safety campaign.**



# OPERATIONS REVIEW



motorists to stay clear of the bus' blind spots. A bicycle and a motorcycle were placed beside the bus in its blind spots to illustrate the challenges faced by BCs. Members of the public had the opportunity to sit in the BC's seat and see for themselves the danger spots that are not obvious when they are on the outside of the bus. Over a three-month period, 15 buses across six services, carried the "Be Safe, Be Seen" safety message to remind road users and pedestrians about the importance of being seen by our BCs.

We also continued to promote safer rides for our passengers with an ongoing "No-Falls-On-Board" campaign. In 2023, we organised safety roadshows at five bus interchanges – Ang Mo Kio, Boon Lay, Bukit Merah, Serangoon and Bedok – to encourage safe commuting habits. The importance of always holding onto support and remaining seated until the bus came to a complete stop were highlighted while vulnerable individuals, such as the elderly, pregnant women, and people with disabilities, were encouraged to remain on the lower deck for their own safety.

To reach out to our target audience, we also printed safety messages on flyers and tissue packets and distributed them at not only our bus interchanges but also at bus stops near polyclinics. This has proven to be effective in

heightening safety awareness among our target audience. Hence, more locations will be included in 2024.

## PHYSICAL SECURITY

We also did not take for granted the security of our passengers, employees and the premises we managed. For this reason, we conducted 1,229 Red Teaming exercises to test the alertness of our staff and validate their responses in detecting and handling security threats. We also participated in an external security audit, as part of the requirements under the LTA's Code of Practice, with no non-compliance to procedures observed.

In response to evolving security threats, we continued to explore and trial innovative technological solutions to strengthen our security measures. In 2023, we explored the possibility of using robots to patrol our premises given the advantages they offer of optimised surveillance, enhanced security and reduced response time. A proof-of-concept trial will be conducted at the Seletar Depot in 2024, and if successful, it will be extended to other bus depots.

Meanwhile, we completed the full roll-out of the CCTV video analytics solution at the Ang Mo Kio and Bedok North Depots, following a successful trial in 2022. This intelligent system functions as an additional layer of security,

proficiently detecting unauthorised individuals, vehicles or bicycles. It also facilitates automated differentiation of authorised vehicles through licence plate recognition and ensures seamless operations by providing automated notifications to our security officers if their views are obstructed by incoming or outgoing buses. Given its effectiveness, this system will be extended to the Ulu Pandan and Hougang Bus Depots and is scheduled for completion by the end of 2024.

We embarked on the next phase of the Threat-Oriented Persons Screening Integrated System (TOPSIS) programme, which was developed by the Ministry of Home Affairs. Involving the wider non-security community at our bus interchanges, we reached out to shop tenants, canteen operators and cleaners to brief them on the importance of maintaining security and the role they can play. Trainers personally shared practical pointers, which were supplemented by cue cards and brochures. Red Teaming exercises were also conducted with their involvement to assess for understanding and thereafter, bridge their learning gaps.

In October 2023, we supported a joint ground deployment exercise organised by the Singapore Police Force and the Singapore Civil Defence Force, which involved a gunman in



a hostage situation on board one of our double deck buses, at the Joo Koon Interchange. A month later, we participated in a joint emergency exercise with the Clementi Police Division at the Ulu Pandan Bus Depot, which simulated a group of gunmen at the depot. These exercises provided us with learning opportunities to adapt and improve on our emergency management and response.

Besides physical security, we also invested efforts in data protection. In October 2023, we achieved the Data Protection Trustmark issued by the Infocomm Media Development Authority, which certified that our policies and procedures complied with the Personal Data Protection Act (PDPA).

Our committed efforts in safety and security were recognised by the LTA at its Public Transport Safety and Security Awards day. The enhancements we made to the TOPSIS Training Programme as well as our safety outreach efforts through our “No-Falls-On-Board” campaign and our familiarisation tours on safe travelling habits for students with special needs all received the Star Awards. In the Operational and Workplace Safety (Bus Operator) category, our Jurong West Bus Package clinched the Excellence Award, and the Sengkang-Hougang Bus Package the Merit Award. Eight Bus Captains and Interchange staff were presented with special commendation awards and another 55, who were Safety Champions, were also certified and recognised for their outstanding contributions in promoting workplace safety and security.

### **INNOVATION AND TECHNOLOGY**

To minimise bus breakdowns on the road, we invested in a bus condition monitoring system that enables our technicians to anticipate faults and undertake predictive maintenance. Powered by Artificial Intelligence (AI) and Machine Learning algorithms, this predictive maintenance solution from Portuguese Stratio provides real-time visibility over critical systems and components such as brakes, electric systems, and fluid levels, and can remotely monitor data from over 200 vehicle parameters. Installed on some 1,000 buses in a pilot phase in 2022, it

will be rolled out across the entire fleet by end of 2024 to minimise downtime, save costs and enhance passenger travel experience.

Concurrently, we also partnered Bridgestone to trial WheelRight’s tyre monitoring system that helps to measure tyre inflation pressure and tyre tread depth for better productivity and fuel efficiency.

To better support our BCs deployed to operate bridging bus services during MRT disruptions on Singapore’s rail network, we developed a mobile app that provides essential information such as the route to take from the point of deployment and the bridging routes to operate. A comprehensive guide, it enables our BCs to provide quick response to service demands to minimise further inconvenience to affected commuters. BCs are also able to refresh and familiarise themselves with bridging routes, which saves time and resources, without the need for on-site briefings.

### **RECRUITMENT OF BUS CAPTAINS**

The tight labour market intensified our need for more BCs. Besides revising our salary package, which remained the most competitive in the industry, we extended the sign-on bonus to \$10,000 for local applicants to make the profession more attractive. Former BCs,

who were re-hired, additionally enjoyed a training offset incentive of up to \$4,800 while those with relevant driving experience were offered higher starting salaries. New staff referral schemes with tiered incentives were also introduced. Our recruitment process was also made more accessible through regular recruitment roadshows at bus interchanges, walk-in interviews at bus depots and career fairs with e2i, MINDEF and the Ministry of Home Affairs.

We highlighted career progression opportunities with a progressive wage model where applicants can enjoy a rewarding and meaningful career with the Company. In 2023, we had 5,863 BCs, of whom 13% or 758 were new hires.

### **CONTINGENCY PLANNING**

In business continuity, we conducted four disruption exercises at the Boon Lay, Hougang Central and Bedok Bus Interchanges as well as the Bukit Batok Bus Depot. These were to review, validate and enhance our drawer plans where our bus services could continue to operate with minimal inconvenience to our passengers. Concurrently, these were also aimed at familiarising our employees with the established protocols and procedures to enable them to respond promptly and decisively in a crisis.



# OPERATIONS REVIEW



## RAIL SERVICES

SBS Transit marked 20 years of providing rail services to our passengers in 2023. Starting in January 2003 with the Sengkang Light Rail Transit system (LRT), we went on to operate the Punggol LRT system two years later. In between that time, in June 2003, we rolled out the 20-km North East Line (NEL), which was the world's first fully automated underground heavy metro system. A decade later in 2013, SBS Transit launched passenger service on Singapore's fifth MRT line, the 34-km Downtown Line (DTL).

## RAIL OPERATIONS

We operated 78 stations during the year in review – 16 MRT stations on the NEL, 34 MRT stations on the DTL, and 28 LRT stations on the Sengkang-Punggol LRT (SPLRT) loops. All the stations on our rail networks were opened for passenger service except for Teck Lee on the Punggol LRT loop, which will open in tandem with developments in the area. Our total rail network of 83 km translated into a market share of 30.6%.

As Singapore returned to pre-pandemic normalcy, demand for rail services increased by 18.7% with 428.1 million passenger trips made compared to 360.7 million the previous year. This was 3.7% lower than the pre-pandemic ridership volume of 2019.

The average daily ridership on the NEL grew by 17.3% to 570,488 passenger trips. Average daily demand on the 42-km long DTL also increased by 21% to 443,214 passenger trips while the SPLRT registered a 17.4% increase to 159,223 passenger trips.

To cater to ridership demand, trains on the NEL arrived at a frequency of two minutes during morning peak hours, 2.5 minutes in the evening peak, and 5.5 minutes during off-peak periods, resulting in a total of 4,378 trips operated each week. On the DTL, train frequency during peak hours was 2.5 minutes during peak hours, and 5.5 minutes during off-peak periods with 3,915 weekly trips made. The Light Rail Vehicles (LRVs) on the SPLRT operated 18,116 trips a week with the LRVs arriving at a frequency of between

three and five minutes during morning peak hours and between four and five minutes during evening peak periods.

In 2023, NEL, DTL and SPLRT met all the Operating Performance Standards stipulated by the LTA.

## RAIL RELIABILITY

In Mean Kilometre Between Failure (MKBF), which is the internationally used measure for railway reliability, the DTL clocked 8.12 million train-km in 2023, which doubled its achievement of 4.05 million train-km in the previous year. It surpassed the nationwide MRT network's average of 2.08 million train-km and, for the third year running, remained the most reliable MRT line globally. The NEL clocked in a steady 2.06 million train-km while the SPLRT hit a new high of 1.22 million car-km – the first in Singapore's LRT history. For its impressive performance, the SPLRT was presented with the "Most Improved System Award" at the prestigious Global Light Rail Awards 2023 in London. It also received high commendation for technical innovations employed in its rolling stock.

In 2023, all three rail lines operated by SBS Transit experienced no major disruptions.

### **MAINTAINING RAIL EXCELLENCE**

Mid-life refurbishment works of our first generation NEL trains continued progressively with the aim of improving safety, enhancing service reliability, and providing better passenger experience. To date, seven trains have completed their mid-life upgrade with another two undergoing upgrading works. Equipped with condition monitoring systems, we will be alerted to impending train issues so that predictive maintenance can be undertaken to prevent train faults. Importantly, we can access a wider range of train parameters remotely to support decision making in train operations. Other enhancements to the upgraded trains include newly renovated interiors and new air-conditioning and ventilation systems. Works on all 25 trains are expected to be completed by 2026.

During the year under review, we completed installation of the award-winning Safety Interlock Relay Bypass Switch on all 43 NEL trains. With this, Customer Service Officers on board can handle the recovery of stalled trains in a more expeditious manner to minimise service delays.

Meanwhile, the six new trains, which were manufactured and assembled by Alstom in Barcelona Spain and shipped to Singapore in April 2021, commenced passenger service on the NEL in August 2023, after completing testing and commissioning works. With the new additions, NEL has a fleet of 49 trains. The new trains are equipped with features that allow for more effective maintenance. Besides condition monitoring systems, two of them are installed with an Automatic Track Inspection (ATI) system with sensors on the trains' underframes to monitor track conditions. This means that defects like rail cracks, rail corrugation, and missing rail fasteners can be detected while the trains are in operation.

Our Multi-Function Track Trolley (MFTT), which is the first of its kind in the world, was also upgraded with enhancements to its monitoring and early detection capabilities. Named

RailRover MFTT, this second-generation MFTT has the capabilities to detect physical defects such as cracks in railway tracks and water seepages in the tunnel. This is expected to boost efficiency by an additional 20% in our inspection and measurement tasks and is slated to be deployed for use in early 2024.

Concurrently, we also developed a Permanent Way Defect Management and Analysis System in-house for enhanced track and tunnel monitoring. This system digitises the defect record process and automatically produces data trends on an accessible dashboard. As a result, staff are empowered to make data-driven decisions to strategically schedule timely maintenance interventions and ensure optimal track and tunnel conditions for train operations.

To align and improve processes for better efficiency and effectiveness, a Rail Operations Support Department was set up to centralise all scheduling activities across the three lines. Primarily, it works with the various stakeholders to develop and optimise train and crew schedules under different operating conditions.

### **WORKPLACE SAFETY AND SECURITY**

In 2023, our Workplace Injury Rate improved by 5.46% to 181.35 accidents per 100,000 employed persons, compared to 191.83 the previous year. With safety as a key priority, we continued with our efforts to improve safety standards by raising awareness of workplace safety and in placing greater emphasis on fostering a strong safety culture in our operations.

As a multi-modal public transport operator, we initiated cross-learning opportunities between our bus and rail divisions. Management and supervisors also conducted walkabouts and engagement sessions and encouraged staff to surface safety concerns, and report safety risks and near misses to their supervisors. As an on-going effort, staff were also encouraged to emphasise the importance of workplace safety and health to their colleagues and contractors while risk assessments and safe work procedures were reviewed.



**DTL clocked 8.12 million train-km in 2023, which doubled its achievement of 4.05 million train-km in the previous year. It surpassed the nationwide MRT network's average of 2.08 million train-km and, for the third year running, remained the most reliable MRT line globally.**





**In the NEL workshop, we trialled an autonomous AI robot dog to assist technicians in their maintenance activities. Conducting visual inspections of the trains from different angles including the underside, it checked the different components for faults such as missing screws and panels that were not apparent to the naked eye.**



We collaborated with the National Trades Union Congress (NTUC) to launch the “Spot, Stop, and Report” campaign to empower our employees to report safety hazards before accidents or near-misses can take place. Promoting an open culture, we encouraged them to proactively take charge of their safety, emphasising their right to call for a “stop-work order” should any work activity be deemed

unsafe. The campaign also highlighted common workplace hazards to watch out for as well as reiterated the use of reporting channels within the Company to prevent accidents at the workplace.

An inaugural Rail Safety Symposium was also organised and graced by Dr Amy Khor, Senior Minister of State for Transport. Stakeholders and experts from within and outside of the rail

industry gathered to share insights, best practices and use of technologies while innovations such as the exoskeleton system to improve safety standards were put on showcase.

A Virtual Reality simulator was also introduced for staff training to instil safety awareness and safety habits on the tracks. Through simulated track environment scenarios, staff are trained on their responses to safety incidents, such as hazard identification and managing unsafe behaviour. This training tool is also equipped with visual tracking and voice recognition capabilities to provide an immersive and interactive learning environment. Viewing from a screen, trainers can observe the trainees’ focus areas and assess their ability to scan for hazards to offer timely and targeted feedback. Trainees can also independently practise radio communication protocols under various scenarios.

We also explored the development of a portable handheld device to enhance safety when trains are driven in manual mode at the workshops. Mounted on the driving console and fitted with front and rear cameras, this smart device employs advanced AI algorithms and



video analytics to monitor trackside conditions, the train speed as well as the driver's attentiveness to avert accidents.

In the NEL workshop, we trialled an autonomous AI robot dog to assist technicians in their maintenance activities. Conducting visual inspections of the trains from different angles including the underside, it checked the different components for faults such as missing screws and panels that were not apparent to the naked eye. This empowered our technicians to take steps to address the issues to avoid them from developing into major faults. An innovative solution, this technology not only enhanced workplace safety and productivity but also minimised risks for our technicians working in warm weather conditions.



To enhance safety and security at our LRT stations, we pilot tested a track intrusion detection system known as VAnGuard at our Sengkang LRT Station. Employing video analytics to analyse surveillance footage, it promptly alerts our Operations Control Centre when a person or object is detected on the track. This alerts our staff to intervene by stopping traction power to bring the train to a stop, investigate the situation, and undertake the necessary measures. The test was successful, and VAnGuard is set to be installed at all 28 stations on the SPLRT network by mid-2024.

Meanwhile, a system to streamline the laborious manual processes of booking, planning, and allocating track access for technicians to carry out maintenance works in the tunnel was developed. This Track Access Management System (TAMS) not only provides a unified digital platform but also enhances productivity and safety standards with its built-in safety rules to avoid conflicts in track work access. In 2023, TAMS was implemented on the DTL while the NEL conducted a parallel run. The system will be expanded to manage the depot track access of all three lines as well as to the mainline of the SPLRT.

TAMS was recognised with the Star Awards at the LTA's Public Transport Safety and Security Award 2023 (PTSSA)

ceremony as did two other rail safety initiatives – Design and Creation of Train Door Maintenance Platform and Design of Transportation Stand for Tread Brake Unit. The NEL also received the Merit Award in the Operational and Workplace Safety (Rail Operator) category.

We were certified with a bizSAFE Star by the Workplace Safety and Health Council, and notably recognised as a bizSAFE Partner Award 2023 – the only public transport operator to receive this award.

### CYBERSECURITY

As a Critical Information Infrastructure (CII) owner, the importance we place on cybersecurity cannot be overstated. As cyber threats evolve constantly, we regularly review and strengthen our cybersecurity processes and control measures to protect our operations against cyber threats and risks and ensure our passenger safety.

In compliance with the requirements of the Cybersecurity Act, we delinked our rail operations technology system from our Information Technology (IT) network among the other measures undertaken.

Business Continuity Plan exercises continued to be conducted as part of our annual regime while

cybersecurity enhancements were implemented to continually fortify our defence measures. This included the strengthening of our malware protection through the deployment of an Endpoint Detection and Response (EDR) security tool. The implementation of the EDR has been completed, and its agent is scheduled for mass deployment in 2024.

We also looked at opportunities to hone our cyber defence skills by participating in the national Critical Infrastructure Defence Exercise 2023. This was an important forum that provided us with hands-on experience in responding to CII cyberattacks.

Meanwhile, staff education remained a key focus. We invested efforts in educating our employees on the risk of ransomware threats and promoted cybersecurity hygiene through our annual "Cybersecurity Awareness for Everyone" (CAFE) training. While CAFE training was made mandatory for all staff with corporate network access, we did not let up in our efforts to constantly remind them of the importance of cybersecurity and the measures to adopt to keep safe through emails and electronic posters. To assess for vigilance, four phishing exercises were conducted throughout the year, which involved more than 4,000 staff.

# OPERATIONS REVIEW

## TRAINING AND DEVELOPMENT

To enhance our employees' skillsets and competencies, we continued to invest in their development, as well as reviewed and improved our training roadmap to enhance their competency.

In 2023, we had more than 50 Rail Chartered Engineers and Rail Chartered Technologists who were accredited by the Institution of Engineers, Singapore (IES).

A Mixed Reality simulator tailored for LRV operations training was rolled out during the year in review. This simulator replaced the traditional mode of training using actual trains, where scheduling was a constant challenge as it competed with operations for availability. Designed for a realistic training environment with tactile controls to simulate the actual environment, it provides a high-fidelity immersive experience crucial for comprehensive training and is particularly effective in training for quick responses to handle train faults and ensuring the safe operations of the LRV using manual controls.

## KEY PARTNERSHIPS

To provide better passenger experience, we collaborated with Siemens Mobility to trial a software based on AI technology to predict passenger demand for train services. Known as Controlguide AIRO, it has the capability to modify train timetables by analysing crowd levels on trains and at stations, as well as the passengers' average waiting times at the platforms. Trials are ongoing and if successful, this solution will be the first of its kind to be implemented in the Asia Pacific.

We also explored the use of AI to drive sustainability in rail operations and maintenance. With French Alstom, we worked on saving energy by synchronising train timings such that one train arrives at the station exactly when another is departing. This would result in the regenerative energy from the arriving train to be captured and converted for use to power up the departing train. Potentially, it can reduce energy consumption of the entire fleet by up to 3,000 megawatt-hours, enough to power 750 four-room

HDB flats for a year. Trials are expected to take place in the second quarter of 2024.

Besides this, we also collaborated with Alstom to employ three-dimensional (3D) printing of train parts. Instead of procuring them from overseas, in particular parts that are not frequently used and can take an inordinate amount of time to arrive, locally printed 3D parts offer the advantages of reducing inventory storage, as well as doing away with the transportation cost. Significantly, it reduces our carbon footprint without any impact to our train service reliability.

Our partnership with Taipei Rapid Transit Corporation (TRTC) and Metro Consulting Service Ltd (MCS) took a further stride forward in 2023 as we expanded our collaboration to new areas that included emerging technologies, safety and sustainability initiatives, customer experience and operations. Our earlier partnership forged in 2018 had contributed to significant improvements in our rail reliability.

We also signed a Memorandum of Understanding with Enterprise Singapore to establish a Mobility Innovation Centre known as MINNOVA that will open in 2024. As a hub for learning, networking and collaboration amongst government agencies, industry experts, academia, Small and Medium-sized Enterprises, start-ups, and other key stakeholders, it will drive the co-creation of innovative mobility solutions that will address challenges faced by the transport sector in Singapore and abroad.

Meanwhile, our continual effort to grow a robust talent pipeline and elevate training competencies for the land transport industry was boosted by a partnership with the Technical University of Munich (TUM) Asia. This will allow us to jointly develop certification courses with TUM Asia that are aligned with the industry's accreditation needs in transport operations and engineering. Covering best industry practices and methodologies, they will also include the latest technologies to equip both local and international public transport operators and those working in the



industry. Under the collaboration, we will also offer internships to TUM Asia's students and facilitate thesis research opportunities while job attachments for its staff and students will be made available to enable them to keep abreast of industry developments.

### CONTINGENCY PLANNING

Regular training sessions and exercises continued to be conducted to review and validate our emergency response and preparedness plans. For train service disruption, seven ground exercises were organised with varied scenarios – "Exercise Harmony" which simulated a train evacuation in a flooded tunnel, "Exercise Endeavour" was focussed on a rescue operation following a train derailment in the tunnel and "Exercise Unicorn" was staged at the NEL depot under explosive and chemical threats while "Exercise Phoenix" was held at the DTL depot under similar circumstances. We also organised "Exercise Escape Shaft" with two of the sessions involving teachers and students from Nan Hua Secondary School and Hwa Chong Institution who were evacuated from the train and



exited the tunnel via an escape shaft. It also marked the first time that an exercise involving the tunnel's escape shaft was opened to the public.

We also participated in a joint exercise, "Exercise Greyhound", led by the LTA. A combined exercise with the participation of the two rail operators, involved two MRT lines being disrupted concurrently with evacuation procedures and bus bridging services activated.

Meanwhile, 11 joint exercises were organised with the Singapore Civil Defence Force to review our staff response to emergency situations. "Exercise High Flame" involved managing fire incidents in the stations while "Exercise Highwaters" was to validate our processes in setting up flood barriers at the entrances of our MRT stations.

With cybersecurity threats on the rise, our annual "Exercise Galaxy" was held with the involvement of our CII stakeholders and management, the LTA as well as relevant parties including our Security Operation Centre service provider and Original Equipment Manufacturer vendors. The exercise scenario involved disruption to train services with supply chain attack on the NEL's ventilation system and ransomware attack on the DTL's power system. It reviewed our emergency response and preparedness plans in compliance with the LTA's Cybersecurity Code of Practice 2.0.



**To provide better passenger experience, we collaborated with Siemens Mobility to trial a software based on AI technology to predict passenger demand for train services. Known as Controlguide AIRO, it has the capability to modify train timetables by analysing crowd levels on trains and at stations, as well as the passengers' average waiting times at the platforms.**



# OPERATIONS REVIEW

## SERVING OUR PASSENGERS

To further enhance the commuting experience of our passengers, we introduced background music – composed by students from Methodist Girls' School – in our MRT stations. Catering to caregivers of young children, we outfitted the nursing room with better amenities such as a hot water dispenser, a cushioned diaper changing table and a secured area for nursing mothers set in soft hues to create a conducive environment at the DTL Tampines Station.

A campaign was also launched to encourage and remind passengers to look out for their buses and flag for them early to avoid missing their rides. An interactive mini-bot was put on trial at the Joo Koon and Tampines North Bus Interchanges to provide passengers with self-service assistance on enquiries. Besides this, six automated robots were deployed to some of our MRT stations to carry out cleaning duties more efficiently for the comfort of our passengers. We are assessing their effectiveness and feasibility before investing in more of them to support our efforts towards improving passenger experience.

## TRAVEL WITH CONFIDENCE

Throughout 2023, we continued to engage Social Service Agencies (SSAs) such as Guide Dogs Singapore (GDS), Singapore Association for the Visually Handicapped (SAVH), Muscular Dystrophy Association Singapore (MDAS), St Andrew's Autism Centre and SPD to explore efforts and initiatives to do better in serving the needs of passengers with disabilities.

In collaboration with SAVH and GDS, we worked with Waymap, a British navigation technology app company, to introduce Waymap-SG, which is Asia-Pacific's very first free-to-use, audio-based wayfinding app. Uniquely, it functions without the need for GPS, Wi-Fi, or Bluetooth signals, and continually calibrates itself to match the user's walking gait and speed. This not only ensures a personalised experience but also a safe one. Piloted at the DTL Tampines Station and Tampines Bus Interchange to create a more inclusive and accessible public transportation

system, we also encouraged commercial and community partners to come onboard to extend this solution to their areas too.

Our "Find Your Way" initiative, which was implemented in partnership with Dementia Singapore, completed its roll-out at 9 bus interchanges and MRT stations during the pilot phase. These locations feature colour-coded murals depicting nostalgic items and are supported by directional floor stickers to assist people with dementia in navigating transport nodes safely and independently. Our ground surveys revealed that the murals and floor stickers were useful in helping not only those living with dementia but also the elderly. Phase 2 will continue in 2024 with another 18 premises.

MDAS and the Singapore National Stroke Association signed up for our Travel Buddy programme – an initiative where trained staff accompany persons with disabilities (PWDs) throughout their journey to familiarise them with their routes to instil independence and reduce travel-related anxieties. Our station guides, who are on wheelchairs, also serve as travel buddies to provide empathetic support and offer practical travel tips.



**... introduce Waymap-SG, which is Asia-Pacific's very first free-to-use, audio-based wayfinding app. Uniquely, it functions without the need for GPS, Wi-Fi, or Bluetooth signals, and continually calibrates itself to match the user's walking gait and speed.**







Meanwhile, about 150 students from special education schools joined us on familiarisation tours to learn how to travel safely and independently.

### VOICE OF OUR PASSENGERS

In 2023, our efforts in improving our bus and rail services did not go unnoticed by our passengers. We received a total of 50,494 compliments and commendations, which was an increase of 17.1% compared to 43,105 in 2022. We also saw opportunities to improve from the valid complaints given, which increased by 48 or 1.0% to 4,872. Overall, we achieved 38.5 compliments and commendations and 3.71 valid complaints per million passenger trips.

### PASSENGER SATISFACTION

In our Customer Satisfaction surveys, which were conducted by an independent research company, we continued to improve in our performance. Our overall customer satisfaction levels for bus services under the Seletar and Bukit Merah Bus Packages recorded increased ratings of 81% and 89% respectively and 88% of respondents considered us to be a reliable bus operator. Bus frequency and travel times were identified as areas for improvements. In rail services, we performed better with overall customer satisfaction ratings of 93% and 94% for NEL and DTL respectively and over 90% rated our train services as reliable. Crowding in trains and cleanliness of station toilets received the lowest scores which we will continue to work to improve.

We also rolled out quarterly online satisfaction surveys that focus on specific service attributes to enable us to track key areas for improvement. In 2023, we focussed on wayfinding, comfort factors in commuting and service standards of frontline staff.

# SINGAPORE

## OTHER COMMERCIAL SERVICES

BUS ADVERTISING • IN-TRAIN ADVERTISING • BUS HUB ADVERTISING  
• TRAIN STATION ADVERTISING • SHOP SPACE • ROAD SHOW SPACE

**\$57**  
REVENUE  
(S\$'MILLION)

**63**  
TOTAL NUMBER OF  
EMPLOYEES

### ADVERTISING

As Singapore returned to pre-pandemic normalcy and economic activities resumed, Moove Media, our sister company, was back in full swing, developing innovative advertising and marketing campaigns on our public transport network.

To generate top-of-mind awareness for advertisers' products and services, it launched a mega 54-metre long in-station digital wall, which is the longest in Southeast Asia, at the Outram Park Station on the North East Line (NEL).

Eye-catching and dramatic, it offered a spectacular visual treat for passengers on the move.

With large format digital screens gaining popularity, Moove Media launched the curved Serangoon Groove, which is its 11<sup>th</sup> digital wall, at the NEL Serangoon MRT station. Fully wrapped faregates at the MRT stations also made their debut to strategically capture the attention of passengers as they entered or exited the premises.

Meanwhile, the 40-metre long "Great Wall" at the NEL Dhoby Ghaut MRT station was hailed as iconic and presented with the Advertising Award at the Singapore Business Review National Business Awards. Decked out with high-definition visuals and audio, it was Moove Media's longest digital wall in 2021, which captivated passengers with its high-impact storytelling and engaging platform.

With the opening of the Mandai Bird Paradise, Moove Media's creativity hit a new high with an attention-grabbing campaign that featured three-dimensional (3D) giant birds perched atop eight buses and one nestled on top of a boarding berth at the Ang Mo Kio bus interchange. The digital walls at NEL Outram Park and Downtown Line (DTL) Bugis stations as well as the Great Wall were also deployed to achieve top-of-mind awareness for the bird paradise.

Moove Media also showcased its storytelling prowess at the NEL Dhoby Ghaut MRT station, where 10-metre high mega pillars were transformed into an interactive installation for Etiqua



Insurance Singapore. Passengers were excited by the unique photo-taking opportunity as they posed against 2D and 3D exhibits of waves with a surfboard and a spiral slide that scaled the mega pillars. The campaign gained traction on social media as many shared their photographs online.

To give advertisers an edge in maximising their advertising budget, an audience insights dashboard known as MooveSMART was introduced in collaboration with Starhub. Designed with the capability to identify key behavioural attributes at each location, it enabled advertisers to tailor more focussed and effective campaigns for their brands.

#### RENTAL OF COMMERCIAL SPACES

In 2023, with the lifting of pandemic restrictions, we leased more than 96% of our commercial spaces in our bus interchanges and train stations. Food and beverage outlets made up most of our diverse tenant mix, which also included retail and convenience stores as well as medical, education, and beauty and wellness services.

IJOZZ, the orange juice vending machine, made inroads into our bus interchanges and MRT stations. Starting with a machine each at three locations initially, it soon expanded to a total of 15 spots across our transport network.

An existing tenant, 7-Eleven, set up a vending machine concept store at the DTL Geylang Bahru Station. Their first in Singapore, it provided convenience on the go with its wide range of snacks and ready-to-eat meals such as salads and sandwiches as well as the popular Japanese onigiri. A 7Café+ was also launched as a takeaway concept store with options for piping hot meals besides desserts and juices. Located at DTL Bugis Station, it is also equipped with an oden and noodle station.

To support our tenants, we organised promotional activities during festive seasons to help boost sales at their outlets. Attractive premiums such as keychains and limited-edition enamel mugs were produced and handed

to customers at participating outlets subject to a minimum spend. For Christmas, a music group was invited to fill the air with well-loved Christmas carols at selected MRT stations and at the Ang Mo Kio Bus Interchange.

Recognising that doing business involves not only the mind but also



**In collaboration with Food from the Heart, we brought together five of our bakery tenants – Moji Bakery, Woowfles, Sakura Bekari, Anas Bakery and Fuji Bakery – to donate their unsold bread instead of discarding them. With staff volunteers involved in the bread run, the items were delivered to the Ju Eng Home for Senior Citizens, Lee Ah Mooi Old Age Home and Moral Home for the Aged Sick.**



the heart, we reached out to possibly the last of Singapore's kacang puteh man, Mr A Moorthy. He had to close down his business when the building where he did his trade at would be shuttered for development. To preserve a vanishing heritage trade, we invited him to ply his trade at our Toa Payoh Bus Interchange rent-free and provided him with a specially designed pushcart. Doing so not only allowed the community to continue to savour the traditional treat, but also added vibrancy to the interchange.

In collaboration with Food from the Heart, we brought together five of our bakery tenants – Moji Bakery, Woowfles, Sakura Bekari, Anas Bakery and Fuji Bakery – to donate their unsold bread instead of discarding them. With staff volunteers involved in the bread run, the items were delivered to the Ju Eng Home for Senior Citizens, Lee Ah Mooi Old Age Home and Moral Home for the Aged Sick.



# CORPORATE GOVERNANCE

**SBS Transit Ltd (“SBS Transit” or the “Company”, and together with its subsidiaries, the “Group”) believes that long-term shareholder value, a fundamental measure of our success, can only be achieved and maintained through good corporate governance.**

We will continue to:

- Focus unreservedly on our customers;
- Make sound corporate decisions to generate long-term shareholder value rather than for short-term considerations;
- Maintain our lean culture through cost efficiencies to drive value creation without compromising on our service quality;
- Build a sustainable talent pool to address the evolving and complex demands of the industry in a highly competitive market;
- Commit to sustainability to make a positive impact on society and the environment; and
- Promote a culture of diversity and inclusivity in the workplace.

## CORPORATE GOVERNANCE STATEMENT

SBS Transit strongly believes that good corporate governance makes sound business sense. To this end, the Group maintains the highest standards of corporate governance, professionalism and integrity as we build an organisation that our shareholders, employees, business partners, the authorities and other stakeholders, including labour unions, can trust and be proud of.

The Group is committed to ensuring compliance with the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 and amended on 11 January 2023 (the “Code”) and the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST Listing Manual**” or “**SGX-ST Listing Rules**”). It has put in place policies, structures and mechanisms to ensure compliance with the relevant legislative and regulatory requirements to establish a high-performing organisation with a culture of strong moral standard and consistent value system. The Group has adopted a Code of Business Conduct, which sets out the principles and policies upon which the Group’s businesses are to be conducted, and has implemented a Whistleblowing Policy which provides a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst maintaining confidentiality of the identity of whistleblowers and protecting them from reprisal within the limits of the law.

This report sets out the corporate governance practices that were in place during the Financial Year ended 31 December 2023 (“**FY2023**”), with specific references to the Code. For FY2023, we are pleased to report that the Group complied in all material aspects with the Code.

## 1. BOARD MATTERS

The Board of Directors (the “**Board**”) has a duty to protect and enhance the long-term value of the Group and achieve sustainable growth for the Group. It sets the overall strategic direction of the Group and oversees the proper conduct of the business, performance and affairs of the Group. Board members are expected to be aware of their legal responsibilities, act in good faith and exercise independent judgement in the best interests of the Company, which includes the exercise of due care and diligence to avoid any conflict of interest.

In appointing Directors, the Company seeks individuals who have integrity, expertise, business acumen, shareholder orientation and a genuine interest in the Group.

### PRINCIPLE 1: THE BOARD’S CONDUCT OF AFFAIRS

#### BOARD’S ROLE AND RESPONSIBILITIES

At the helm of the decision-making process of the Company is the Board. The Company has an effective Board led by the Independent Non-Executive Chairman, Mr Bob Tan Beng Hai (the “**Chairman**”). The Board is collectively responsible and works with Management for the long-term success of the Company by:

- (i) Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the Group (which include appropriate focus on value creation, engagement, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- (ii) Ensuring that appropriate and adequate systems of internal controls, risk management processes and financial authority limits are in place to safeguard shareholders’ interests and the Group’s assets, and to achieve an appropriate balance between exposure to risks and the Group’s performance;
- (iii) Challenging Management constructively and reviewing its performance;

- (iv) Identifying the key stakeholder groups and guiding Management in the Group's strategy and approach in addressing the concerns and needs of these key stakeholder groups, and ensuring transparency and accountability to all stakeholders;
- (v) Instilling an ethical corporate culture and ensuring the Group's values, standards, policies and practices are consistent with the Group's culture; and
- (vi) Considering environmental, social and governance ("ESG") issues as part of its strategy for sustainability.

### 1.1 CONFLICTS OF INTEREST

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Group. In the event that a Director has a conflict of interest, or it appears that he/she may have a conflict of interest in relation to any matter, the Director must immediately declare his/her interest at a meeting of the Board or send a written notice to the Board and the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter. In the case of any matter where the Chairman is conflicted, such as his remuneration or re-election as a Director, he will similarly recuse himself from participating in the discussion and decision-making; and the other Directors may elect someone among themselves to preside over the discussion and lead the Directors in decision-making.

### 1.2 DIRECTORS' COMPETENCIES, INDUCTION, TRAINING AND DEVELOPMENT

Upon appointment, the Director will be issued an official letter of appointment, which clearly sets out his/her role, duties and responsibilities and the Company's expectations of him/her. The new Director will also receive a copy of the Company's Constitution, the Company's current and previous years' annual reports and the corporate structure chart of the Group.

Management will conduct a comprehensive orientation programme for newly appointed Directors, which covers, among other matters, duties as a Director and how to discharge those duties, key aspects of the Group's businesses, including financial and corporate governance policies. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with a copy of the relevant Board Committee's terms of reference.

If the newly appointed Director has no prior experience as a Director of a company listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), training in relevant areas such as regulatory, finance and legal as well as industry-related areas will be provided. As required under the SGX-ST Listing Rules, a newly appointed Director who has no prior experience as a Director of a company listed on the SGX-ST must undergo training as prescribed by the SGX-ST. Such training should be completed within one year of appointment. In this respect, all our newly appointed Directors who are required to undergo such training, conscientiously commit their time and effort to complete the training within the first year of appointment.

Directors are encouraged to undergo continual professional development by attending relevant training programmes, seminars and courses organised by the Singapore Institute of Directors ("SID") and other professional bodies to enhance their knowledge and skills and better equip themselves to effectively discharge their duties as Directors of the Company. The fees for the courses are paid for by the Company. The Chairman and the Nominating and Remuneration Committee ("NRC") review each Director's training and professional development needs on a yearly basis.

The Company Secretaries update and brief the Board on corporate governance practices and changes in or updates to the relevant legal and regulatory requirements pertaining to the Group's businesses. External consultants are also engaged to conduct seminars on specific topics as and when necessary. In FY2023, Messrs Rajah and Tann Singapore LLP ("**Rajah and Tann**") conducted several seminars, including seminars on the Workplace Safety and Health ("**WSH**") Approved Code of Practice relating to Chief Executives and Board of Directors and the Strategic Role of Directors of Holding Companies and Subsidiaries. In addition, the Company constantly encourages and sponsors Directors to attend training conducted externally which is relevant to their discharge of their duties, particularly with regards to new developments. One such programme was the SGX-ST training on Climate Reporting Fundamentals held in 2023.

# CORPORATE GOVERNANCE

In FY2023, the Directors attended the courses/seminars listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY:
9/1/2023	Rajah and Tann	Briefing on the Workplace Safety and Health Code of Practice: Chief Executives' and Board of Directors' Duties	Cheng Siak Kian Jeffrey Sim Vee Ming Lim Tien Hock Chua Mui Hoong Susan Kong Yim Pui Lee Sok Koon Lim Seh Chun Tan Kim Siew Yu Ching Man
9/5/2023	Cyber Security Agency of Singapore	Cyber Security Governance Role and Awareness	Cheng Siak Kian Lim Tien Hock Chua Mui Hoong Susan Kong Yim Pui Lee Sok Koon Yu Ching Man
6/7/2023	Rajah and Tann	Briefing on the Strategic Role of Directors of Holding Companies and Subsidiaries	Bob Tan Beng Hai Cheng Siak Kian Jeffrey Sim Vee Ming Lim Tien Hock Chua Mui Hoong Susan Kong Yim Pui Lee Sok Koon Tan Kim Siew
11/7/2023	SID	LED 4 – Stakeholder Engagement	Jeffrey Sim Vee Ming
12/7/2023	SID	LED 9 – Environmental, Social and Governance Essentials (Core)	Jeffrey Sim Vee Ming
14/7/2023	SID	LED 6 – Board Risk Committee Essentials	Lim Tien Hock
13/9/2023	SID	CTP 7 – The Board's Role in Leading Successful Transformation	Lim Tien Hock
10/10/2023	SID	LED 1 – Listed Entity Director Essentials	Jeffrey Sim Vee Ming
11/10/2023	SID	LED 2 – Board Dynamics	Jeffrey Sim Vee Ming
11/10/2023	SID	LED 3 – Board Performance	Jeffrey Sim Vee Ming
17/10/2023	SID	LED 7 – Nominating Committee Essentials	Lim Tien Hock
17/10/2023	SID	LED 8 – Remuneration Committee Essentials	Lim Tien Hock
01/11/2023	SGX	Training on Climate Reporting Fundamentals	Christina Lim Yui Hung

Regular presentations are made by Management to the Board to enable the Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised from time to time to enable the Directors to learn more about the Group's operations. During such visits, the Directors spend time with Management to discuss key strategies and policies pertaining to, not just Company specific operations, but also the Group's businesses in general. Such meetings

help the Directors to be better equipped to make informed decisions relating to the future direction of the Group. The Group also holds strategy meetings at least once every two years for the Board to collaborate with Management in developing and reviewing the Group's future plans and proposals for new business opportunities, with the latest strategy meeting held in March 2022.

### 1.3 RESERVED MATTERS

SBS Transit has adopted clear, established and documented internal guidelines for matters which require the Board's approval. Under these guidelines, Board approval is required with regard to matters such as acquisition of business, disposal of or change in equity interests in existing subsidiary/associate, investment in financial instruments, tender for business above the prescribed limits, assessing and approving key business decisions, funding and investment initiatives and other corporate actions, including approval of the financial authority limits, annual budget and capital expenditure and the release of financial results to the SGX-ST via SGXNET. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments also require the approval of the Board.

The Board periodically reviews the adequacy and effectiveness of internal controls, risk management and financial authority limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor compliance with delegated limits.

### 1.4 DELEGATION BY THE BOARD

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making, five (5) Board Committees have been established, namely, the Audit and Risk Committee ("**ARC**"), the Nominating and Remuneration Committee ("**NRC**"), the Service Quality Committee ("**SQC**"), the Sustainability Committee ("**SC**"), the Tenders and Investments Committee ("**TIC**") (collectively, the "**Board Committees**"). Ad hoc committees are also formed to look at specific issues from time to time.

With effect from 1 January 2024, the Board combined the SQC and the SC and named the combined Board Committee as the "Sustainability and Service Quality Committee" ("**SSQC**"). The Board took the view that the subject of sustainability and service are intrinsically connected and the combined Board Committee will better streamline discussions in order to have a holistic and integrated view on sustainability and service.

Each Board Committee is governed and regulated by its own terms of reference, which sets out the scope of its authority, duties and responsibilities, as well as the regulations and procedures governing the manner in which the Board Committee operates and how decisions are to be taken.

The terms of reference and summary of the activities of the ARC and NRC are described in further detail in the relevant sections below from pages 58 to 70.

### SERVICE QUALITY COMMITTEE

The SQC's terms of reference are to provide strategic directions and review initiatives to enhance the Group's service quality standards, reliability, customer service and safety. The SQC also reviews customers' feedback on service quality. The key roles and responsibilities of the SQC include inter alia:

- (i) Reviewing the service quality standards of the bus and rail operations and customers' feedback on service quality;
- (ii) Providing strategic directions and reviewing initiatives on enhancement in service quality standards, customer service and safety; and
- (iii) Performing other oversight functions relating to service quality matters as requested by the Board.

With effect from 1 January 2024, the roles and responsibilities of the SQC were subsumed under the SSQC.

### SUSTAINABILITY COMMITTEE

The SC assists the Board in fulfilling its corporate governance responsibilities in relation to the Group's sustainability policies and strategies, by providing directions and considering ESG issues as part of its strategic formulation and investments. The SC will seek to integrate sustainability considerations in the business strategies of the Group in order to deliver steady and sustainable outcomes.

The SC Chairman is Professor Lim Seh Chun. The key terms of reference of the SC include the following:

- (i) Review and monitor the implementation of the Group's sustainability strategy, including materiality assessment, review of compliance with policies, and alignment of sustainable development policies with laws and regulations;
- (ii) Review and monitor Management's commitment and appropriate allocation of resources to achieving the desired outcomes of the Group's sustainability strategy;
- (iii) Establish sustainability policies and practices, set and assess ESG targets, and measure the performance against targets;
- (iv) Ensure the Group's sustainability policies, strategies and priorities are integrated into the Group's strategic plans and business goals, and are adequate for managing its ESG risks and opportunities;

- (v) Monitor and consider emerging key ESG trends and issues that may have strategic, business and reputational implications for the Group, and receive periodic reports from the Management or external parties on the same, and make recommendations to the Board as necessary;
- (vi) Review and endorse the Group's policies, practices and strategies regarding safety and health of its employees, contractors, customers and others affected by its activities, with the objective of improving its performance in relation to safety and health and to ensure compliance with related laws and regulations;
- (vii) Ensure that goals and targets in relation to workplace safety and health are considered, reviewed, communicated and achieved;
- (viii) Receive reports on the Group's performance in respect of workplace safety and health, and to provide oversight, leadership and guidance in respect thereof; and
- (ix) Keep the ARC updated on the identified risks controls and risk mitigating procedures, and coordinate with the ARC in respect of workplace safety and health risk management matters to be submitted to the Board.

The SC oversees the workplace safety and health policy, the details of which are described in page 73.

With effect from 1 January 2024, the roles and responsibilities of the SC were subsumed under the SSQC.

## TENDERS AND INVESTMENTS COMMITTEE

The TIC's terms of reference are to oversee the Group's bus and rail tender strategies, provide guidance on bid preparations, and advise the Group on investments in new initiatives which may include securities, financings and assets to enhance the Company's performance.

The key roles and responsibilities of the TIC include the following:

- (i) Provide guidance on tenders and competitive strategies, including the Group's bid preparations;
- (ii) Review and approve the quality and financial proposals for tenders and negotiated contracts;

- (iii) Provide guidance on new investments, including overall strategy for the investments in the prevailing commercial environment, including changes in technology, competition, regulatory framework, financial environment or any other area which may influence the performance of such investments, whether short, intermediate or long-term performance;
- (iv) Review the assessments and recommendations of Management in respect of new investments, including but not limited to the opportunities, size, structure, strategies, potential partners and risk assessment and mitigation of proposed new investments; and
- (v) Perform other oversight functions relating to tender matters and new investments as may be requested by the Board.

Although the Board Committees are empowered to make their own decisions, the Board is ultimately responsible for all decisions made by the Board Committees.

## 1.5 DIRECTORS' ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

At least four (4) scheduled Board Meetings are held every year at regular intervals for the purpose of reviewing the results and ongoing performance of the Group, notwithstanding that the financial results are only announced semi-annually. The Board Meetings to approve the half-year financial results are held within 45 days after the end of the first half of the financial year, and not later than 60 days after the end of the financial year for the full year financial results. A separate Board Meeting is also held in the last quarter of each year after the budget of the Company's subsidiaries has been approved, to review and adopt the Group's annual budget. Ad hoc Board and Board Committee Meetings are also held from time to time when the need arises.

Directors who are unable to attend meetings in-person can participate in the discussions through video/audio/tele-conferencing. Decisions of the Board and Board Committees on matters in the ordinary course of business may also be obtained via circular resolutions. Directors are free to seek clarifications and explanations from the Management on the reports and papers submitted to the Board and Board Committees.



## ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN 2023

Name	DIRECTORS' MEETING ATTENDANCE REPORT						
	No. of meetings held in FY2023						
	AGM/EGM	Board	ARC	NRC	SQC	TIC	SC
<b>BOB TAN BENG HAI</b>	1/1	5/5	-	3/3	-	3/3	4/4
<b>CHENG SIAK KIAN</b>	1/1	5/5 <sup>(1)</sup>	4/4	3/3	-	3/3	-
<b>JEFFREY SIM VEE MING</b>	1/1	5/5 <sup>(2)</sup>	4/4*	3/3*	2/2	3/3	4/4
<b>LIM TIEN HOCK</b>	1/1	5/5	4/4*	-	2/2	1/1*	1/1 <sup>(3)</sup>
<b>DESMOND CHOO PEY CHING</b>	1/1	5/5	4/4	2/3 <sup>(4)</sup>	-	-	3/4 <sup>(4)</sup>
<b>CHUA MUI HOONG</b>	1/1	5/5	1/1 <sup>(5)</sup>	-	2/2	-	3/3 <sup>(5)</sup>
<b>SUSAN KONG YIM PUI</b>	1/1	5/5	4/4	3/3	-	3/3	-
<b>LEE SOK KOON</b>	1/1	5/5	4/4	-	2/2	3/3	-
<b>LIM SEH CHUN</b>	1/1	5/5	-	3/3	-	-	4/4
<b>CHRISTINA LIM YUI HUNG</b>	-	1/2 <sup>(6)</sup>	-	-	-	-	1/1 <sup>(6)</sup>
<b>TAN KIM SIEW</b>	1/1	5/5	4/4	2/3 <sup>(7)</sup>	2/2	-	-
<b>YU CHING MAN</b>	1/1	5/5	-	-	2/2	3/3	4/4

### Legend:

- Independent Non-Executive Director
- Non-Independent Non-Executive Director
- Non-Independent Executive Director
- \* By Invitation

### Notes:

- (1) Mr Cheng Siak Kian stepped down as Group CEO and was re-designated as a Non-Independent Non-Executive Director and Deputy Chairman of the Board of the Company on 1 January 2023. He stepped down from the SQC and the SC and was appointed a member of the ARC and the NRC.
- (2) Mr Jeffrey Sim Vee Ming was appointed as Group CEO and Non-Independent Executive Director and a member of the SQC, the TIC and the SC on 1 January 2023.
- (3) Mr Lim Tien Hock stepped down from the SC at the Company's Annual General Meeting held on 27 April 2023.
- (4) Mr Desmond Choo was absent with apologies, from the NRC meeting held on 4 August 2023 and the SC meeting held on 22 November 2023.
- (5) Ms Chua Mui Hoong was appointed member of the SC and stepped down from the ARC at the Company's Annual General Meeting held on 27 April 2023.
- (6) Dr Christina Lim Yui Hung was appointed as an Independent Non-Executive Director and a member of the SC with effect from 1 October 2023. She was absent with apologies, from the Board meeting held on 10 November 2023.
- (7) Dr Tan Kim Siew was absent with apologies, from the NRC meeting held on 4 August 2023.

## 1.6 ACCESS TO INFORMATION

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information to enable them to make informed decisions and discharge their duties and responsibilities. The Board also receives monthly management accounts, updates on key performance indicators and quarterly investor relations ("IR") reports covering IR activities and updates of analysts' and investors' views and comments. This enables the Board to make informed and sound business decisions and to keep abreast of key challenges, opportunities and developments for the Group. As a general rule, reports to the Board and Board Committees are disseminated to Directors prior to meetings to provide sufficient time for review and consideration, so that discussions at the meetings are productive and effective. All information is encrypted if distributed electronically.

Directors can request for additional information and have full access to Management. Management provides information requested by Directors for their meetings and decision-making in a timely manner.

## 1.7 INDEPENDENT PROFESSIONAL ADVICE

Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Company will arrange for the appointment of relevant professional advisers at its own cost.

## 1.8 COMPANY SECRETARIES

The Company Secretaries assist in organising Board and Board Committee Meetings, and prepare the agenda in consultation with the Chairman, the Group CEO and the chairpersons of the respective Board Committees. At least one of the Company Secretaries attends all Board and Board Committee Meetings. The Company Secretaries keep the Directors informed of any significant developments or events relating to the Group, including updates on all relevant rules and regulations. The Directors have separate and independent access to the Company Secretaries. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

# CORPORATE GOVERNANCE

## PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

### BOARD COMPOSITION

The Company has consistently met with or exceeded the minimum requirements of the Code and Rule 210(5)(c) of the SGX-ST Listing Manual by ensuring that at least one-third of the Board is independent and the majority is non-executive. As at 31 December 2023, the Board comprised twelve (12) Directors with two-thirds of the Board being Independent Directors.

With effect from 1 January 2023, Mr Cheng Siak Kian assumed the position of the Managing Director and Group Chief Executive Officer of ComfortDelGro Corporation Limited ("**ComfortDelGro**") and relinquished his position as SBS Transit's Chief Executive Officer ("**CEO**"). Whilst he remains the Deputy Chairman of the Company, he is deemed to be a nominee of the majority shareholder and is therefore, a Non-Independent Director of the Company. Mr Jeffrey Sim Vee Ming was appointed the Group CEO and Non-Independent Executive Director, with effect from 1 January 2023. Ms Susan Kong Yim Pui was appointed a Director of ComfortDelGro on 1 January 2023, and as such, is also deemed to be a nominee of the majority shareholder, and has been re-designated as a Non-Independent Director. Consequently, Ms Kong stepped down as the Chairman of the NRC but remained as a member of the Committee.

Given that Professor Lim, Professor Yu and Ms Chua had indicated their wish to retire as Directors of the Company at the coming Annual General Meeting ("**AGM**") on 25 April 2024 ("**2024 AGM**"), the NRC commenced its search for potential candidates as part of the Board's succession and renewal plans. Dr Christina Lim Yui Hung was identified for her deep knowledge in mechanical engineering with focus on friction, wear and erosion of materials, to fill the competency and skills gap which would be created after both Professor Lim and Professor Yu vacated the Board. After affirming her suitability, the Board appointed her as an Independent Director of the Company in October 2023. The NRC later also identified, Mr Patrick Daniel, a media veteran who would be able to fill the skills gap to be created by Ms Chua. The NRC also noted that it was important to the Company to have a director who has deep knowledge and experience in technology, data systems and cybersecurity to beef up the skills competency of the Board in this evolving technology-driven market. Mr Edwin Yeo Teng Chuan was recommended by an independent source. After a series of rigorous interviews with the NRC, Mr Daniel and Mr Yeo were appointed as Independent Directors of the Company with effect from 1 January 2024.

With Mr Daniel's and Mr Yeo's appointments, the Board as at present comprises fourteen (14) Directors of whom ten (10) Directors (approximately 71%) are Independent Directors. There is a strong level of independence in the Board as the majority of the Board, including the Chairman, are Independent Directors with no family relations with the Executive Directors and Key Management Personnel ("**KMP**"). No person will be able to exercise undue influence over the

decisions of the Board as Independent Directors continue to be the majority.

### 2.1 INDEPENDENT JUDGEMENT

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company and its Group.

Pursuant to Regulation 111 of the Company's Constitution, a Director must not vote in respect of any contract or arrangement or any other proposal in which the Director has any personal interest, whether directly or indirectly. Each Director makes it a point to declare to the Board should he/she have any interest in the subject matter before any discussion or decision-making process and recuse himself/herself therefrom to avoid any compromise in the Board's objectivity in its judgement or decision-making.

The Board's practices in relation to conflicts of interest are set out in the section "Conflicts of Interest" on page 49.

### 2.2 INDEPENDENT DIRECTORS

As mentioned above, as at 31 December 2023, the Board comprised twelve (12) Directors with two-thirds of them being Independent Directors, and as at present, the Board comprises fourteen (14) Directors with 71% of them being Independent Directors. There is a strong level of independence in the Board, and the current Board composition exceeds the requirement under the SGX-ST Listing Rules and the Code that at least one-third of the Board must be Independent Directors.

As the Chairman, Mr Bob Tan Beng Hai, is an Independent Non-Executive Director ("**NED**"), a Lead Independent Director is not required. The Chairman, the Group CEO, and the Deputy Chairman are different persons and are not immediate family members. The Chairman and the Deputy Chairman are also not part of the Management team. No person will be able to exercise undue influence over the decisions of the Board as Independent Directors continue to be the majority.

The NRC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist which is drawn up in accordance with the guidelines provided in the Code and requires each Director to assess his/her own independence. Each Director is required to declare any circumstances in which he/she may be considered non-independent. The NRC will then review the Confirmation of Independence to determine whether a Director is independent. The NRC deems a Director who is associated with a majority shareholder in the current and immediate past financial year as non-independent. Mr Cheng Siak Kian, the Non-Executive Deputy Chairman and Ms Susan Kong Yim Pui, a NED, are deemed as non-independent as both are nominees of ComfortDelGro. Mr Jeffrey Sim Vee Ming

and Mr Lim Tien Hock are deemed non-independent as they are both Executive Directors and respectively Group CEO and CEO, Bus Business.

Professor Lim Seh Chun is the only Independent NED, who has served on the Board for more than nine (9) years. However, Professor Lim was re-elected as an Independent NED of the Company at the AGM in 2021 pursuant to a two-tier shareholder vote prescribed under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual prior to its revocation, and shall continue to be designated as Independent NED until the earlier of Professor Lim's retirement or resignation as Director, or the conclusion of the AGM of the Company in 2024.

The NRC has also reviewed the independence of Dr Tan Kim Siew and recommended to the Board that he continued to be deemed Independent Director of the Company for the reasons set out below, and the Board has concurred with the NRC's views:

- Dr Tan is an Independent Non-Executive Director of VICOM Ltd ("**VICOM**") which is a subsidiary of the Company's majority shareholder, ComfortDelGro. The value of the transactions (excluding those based on published rates) between the Group on the one hand and VICOM and its subsidiaries ("**VICOM Group**") on the other will be in excess of S\$200,000 for FY2023, and is approximately S\$442,000 for the nine months ended 30 September 2023. The transactions are mainly in respect of testing and training services as well as rental of premises for the vehicle inspection business by the VICOM Group. All services were procured in accordance with the Company's procurement policies and entered into on an arm's length basis, and the rent for the rental of premises was based on an independent valuation.
- Notwithstanding the transactions between the VICOM Group and the Group as mentioned above, the NRC was of the view and recommended to the Board that Dr Tan should continue to be considered an Independent Director of the Company for the following reasons:
  - (1) Dr Tan had consistently declared at the meetings his directorship at VICOM Group, where appropriate, and would declare any conflict of interest and recuse himself from deliberating and voting on any transaction that involves the VICOM Group.
  - (2) The value of transactions (excluding those based on published rates) between the VICOM Group and the Group is not substantial in relation to the total revenue of the VICOM Group or the Group, and further, all transactions were entered into on an arm's length basis and/or based on an independent valuation.

(3) Dr Tan's independence is reviewed annually or as and when necessary.

(4) Dr Tan has been acting in the best interests of the Company.

In assessing the independence of a Director, the NRC and the Board take a holistic approach, taking into consideration various factors such as whether the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement. Except where SGX-ST Listing Rule 210(5)(d)(iv) (which states that a Director will not be independent if he has been a Director of the issuer for an aggregate period of more than nine years (whether before or after listing)) applies, the length of service is not a critical factor in determining the independence of any Director but it should nevertheless remain one of the factors in considering Directors' independence.

The Board is of the view that all Independent Directors remain independent in the exercise of their judgement on Board matters. SGX-ST Listing Rule 210(5)(d)(iv) does not apply to any of the Directors in office as at 31 December 2023, except for Professor Lim Seh Chun who, as mentioned earlier, has served the Board for more than nine (9) years, and is due to retire at the forthcoming 2024 AGM.

The NRC will continue to review the independence of the Directors of the Company on an annual basis and as and when, material circumstances change.

## 2.3 NON-EXECUTIVE DIRECTORS

As at 31 December 2023, the Board comprised twelve (12) Directors with 83% of them being NEDs. At present, the Board comprises fourteen (14) Directors with 86% of them being NEDs. The Independent NEDs are led by the Independent Non-Executive Chairman of the Board.

## 2.4 BOARD SIZE, COMPOSITION, DIVERSITY AND COMPETENCY

The NRC examines the size and composition of the Board and the Board Committees annually to ensure an appropriate balance and diversity of skills, knowledge, experience, age and gender. The NRC is of the view that the size of the Board is conducive for effective discussion and decision-making, with an appropriate number of independent Directors. The NRC also takes into consideration the promotion of tripartism experience from labour, government and business, to foster constructive debate to enhance the Board's ability to discharge its duties and responsibilities effectively.

# CORPORATE GOVERNANCE

The bulk of the Group's businesses are regulated. Having considered the scope and nature of the operations of the Group and the requirements of its businesses, the NRC and the Board are of the view that the size of the Board of eleven (11) Directors, taking into account the planned retirements of Directors at the 2024 AGM as mentioned above, is appropriate.

The Group is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

## BOARD DIVERSITY POLICY

The Company adopted a Board Diversity Policy in 2019 which focuses on ensuring an appropriate balance and mix of skills, knowledge, experience, age, gender and other aspects of diversity within the Board to avoid groupthink and bias, and instead foster constructive debate and achieve effective decision-making in the best interests of the Group. Under the Board Diversity Policy, the NRC will discuss and agree annually the relevant measurable targets for promoting and achieving diversity in the composition of the Board and Board Committees and make its recommendations for consideration and approval by the Board.

In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration being given to a candidate's suitability in strengthening the diversity of skills, experience, age, gender, knowledge and core competencies of the Board relevant to the Group. In relation to gender diversity, the Board ensures that female candidates are included for consideration when identifying suitable candidates for new appointments to the Board, and in 2023, the Board adopted a guideline that at least one female Director sits on each Board Committee including the NRC.

As at 31 December 2023 and at present, out of twelve (12) Directors and fourteen (14) Directors respectively, four (4) Directors (or respectively, 33% and 29%) were females. As at 31 December 2023, two (2) female Directors sit on the ARC, one (1) female Director sits on the NRC, and two (2) female Directors sit on each of the SQC, TIC and SC. At present, after SC and SQC were combined to form SSQC, two (2) female Directors sit on the ARC, one (1) female Director sits on the NRC, and two (2) female Directors sit on each of the SSQC and TIC. The number of female Directors on the ARC, TIC, and SSQC at present exceeds the Company's Board Diversity Policy guideline while the number of female Directors on the NRC meets the guideline. The Company has also exceeded the target of the Council for Board Diversity to have at least 25% of Board seats held by females by 2025.

The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, legal, engineering, internal security, media, regulatory and business management, which are important to the Group as the Group is in the public transport services business and has to deal with various stakeholders including members of the public (being its customers), trade associations, professional bodies and regulators. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

The NRC is satisfied that the Board and Board Committees currently comprises Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience, age, gender, and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates.

The Board has noted that one (1) of the current Independent NEDs, Professor Lim Seh Chun, who has served on the Board for more than nine (9) years and who was re-elected at the 2021 AGM as an Independent NED pursuant to a two-tier shareholder vote prescribed under the Rule 210(5)(d)(iii) prior to its repeal, would cease to be considered independent by the 2024 AGM and that one (1) other Independent NED will have served on the Board for nine (9) years by 2026. Ms. Chua and Professor Yu had expressed their wish to retire as Directors at the conclusion of the 2024 AGM. Ms Chua had indicated that she would be spending more time outside of Singapore and felt that she would not be able to dedicate enough time to discharging her responsibilities on the Board. Professor Yu, who had been commuting from Hong Kong for Board meetings and had been offered a new appointment in the Middle East in 2024, indicated his regret that commuting for Board meetings would be more challenging for him and, therefore, indicated his desire to also retire from the Board at the 2024 AGM.

Taking into account the planned retirements of Directors as mentioned above, the Board will have seven (7) Independent Directors, two (2) Non-independent Non-Executive Directors and two (2) Non-Independent Executive Directors at the conclusion of the 2024 AGM. This means that approximately 64% of the Directors as at the conclusion of the 2024 AGM will be Independent Directors and thereby meeting the requirement under Rule 210(5)(c) of the SGX-ST Listing Manual.

In the search for suitable Directors for Board renewal, the Board will look for candidates with competencies and characteristics of diversity in the areas of gaps identified by the Board pursuant to periodic reviews.

The NRC and the Board shall review the size and composition of the Board annually to determine the optimal Board size and composition, having regards to the business and governance needs of the Group.

The Company shall source for suitable candidates through the recommendations of the existing Directors, other contacts and a variety of independent sources, which may include external consultants, to find the right match of potential candidates with the Company.

Nonetheless, the ultimate decision on selection of Directors will be based on merit against a set of objective criteria that complements and expands the skills, knowledge, industry and business experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board to serve the needs of the Group.

The individual profile of the Directors, their listed company directorships and principal commitments held currently and/or in the preceding five years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 18 to 25 and pages 75 to 79 of this Annual Report.

## 2.5 NON-EXECUTIVE DIRECTORS' PARTICIPATION

All the NEDs have unrestricted access to the Management and are well supported by accurate, complete and timely information, including monthly and quarterly performance reports. They participate actively at Board and Board Committee Meetings to constructively challenge the Management and help develop proposals on business strategy and other business and governance issues. They also review the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance.

As at 31 December 2023 and at present, all the members of the ARC and NRC are NEDs. There is no Executive Director on these Board Committees. However, the Group CEO is invited to attend the ARC and NRC meetings to provide feedback and emphasise the responsibilities placed on Management.

The Chairman, who is not a member of the ARC, meets with the Chairperson of the ARC and the External Auditors annually without the presence of Management. From time to time when required, the NEDs, led by the independent Chairman or other NED as appropriate, meet without the presence of Management before or after Board Meetings. The chairperson of such meetings provides feedback to the Board and/or Chairman as appropriate.

### BOARD INDEPENDENCE (As at 31 December 2023)

INDEPENDENT  
NON-EXECUTIVE DIRECTOR



67%

NON-INDEPENDENT/  
EXECUTIVE DIRECTOR



33%

### BOARD GENDER DIVERSITY (As at 31 December 2023)

FEMALE



33%

MALE



67%

### DIRECTORS' LENGTH OF SERVICE (As at 31 December 2023)

SERVED LESS THAN 9 YEARS

SERVED MORE THAN 9 YEARS



92%



8%

# CORPORATE GOVERNANCE

## PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

### 3.1 CHAIRMAN AND THE GROUP CHIEF EXECUTIVE OFFICER

The roles of the Chairman and the Group CEO are kept separate and distinct to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. This is a deliberate policy agreed by the Board and one that is strictly adhered to. This ensures Management accountability and Board independence.

### 3.2 ROLES AND RESPONSIBILITIES OF CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

The responsibilities of the Chairman and the Group CEO are set out in writing, with the Chairman responsible for the effective functioning of the Board, and the Group CEO responsible for the operations and management of the Group's businesses. The Chairman and the Group CEO are not related.

#### Roles and Responsibilities of the Chairman:

- (i) Leads the Board, facilitates effective contribution of all Directors, sets the agenda and promotes comprehensive, rigorous and open discussions at Board Meetings among the Directors, as well as between the Board and Management;
- (ii) Oversees the translation of the Board's decisions into executive action;
- (iii) Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with shareholders and other stakeholders;
- (iv) Encourages constructive conversations and cordial relations within the Board, between the Board and Management and the Board and the Group CEO; and
- (v) Promotes high standards of corporate governance and transparency.

#### The Group CEO:

The Group CEO is the highest-ranking executive in the Group. His primary responsibilities include making major corporate decisions, managing the overall operations and resources of the Group, and acting as the main point of communication between the Board and corporate operations. He is responsible for implementing the corporate strategy and is accountable to the Board for the Group's performance and ensuring efficient allocation of capital across the Group. The Group CEO is also responsible for setting the example of leadership and creating a conducive environment towards a sustainable work culture that builds teams to succeed and attract talent. The Group CEO also serves as the public face of the Group, engaging in media and public relations.

The Group CEO is given full executive responsibility for the management of the Group's businesses and the implementation of the Group's strategies and policies as decided by the Board and reports to the Board on a regular basis.

### 3.3 LEAD INDEPENDENT DIRECTOR

The appointment of a Lead Independent Director is not required as the Chairman is an Independent Director and the Chairman and the Group CEO are different persons. Moreover, the majority of the Board are Independent Directors and none is part of Management or has a relationship with the Group CEO and his immediate family members. The ARC Chairperson is also readily available to shareholders if they have concerns for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

There are mechanisms for the Board to address any concern with conflict of interests, which are explained in the paragraph "Conflicts of Interest" on page 49.

### 3.4 INTERNAL AND EXTERNAL STAKEHOLDERS COMMUNICATION

The Chairman and the Group CEO represent the Board at official functions and meetings with shareholders and other stakeholders such as employees, regulators and customers. A detailed description of our engagements with stakeholders can be found in our Sustainability Report, which will be released separately.

## PRINCIPLE 4: BOARD MEMBERSHIP

There is a formal and transparent process for the appointment and reappointment of Directors to the Board, taking into account the need for progressive renewal of the Board.

### 4.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

In 2021, the Nominating Committee ("NC") and the Remuneration Committee ("RC") were merged to streamline their respective functions for greater efficiency in reviewing the appointment, performance and remuneration of Directors and KMP. Notwithstanding that the NC and RC were merged into the NRC, the roles and responsibilities of the respective functions were not compromised and the Company continues to adhere to the principles of the Code in relation to the NC and the RC.

The NRC is responsible for (i) regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place for Directors and KMP (the "NC Role"); and (ii) setting the Group's remuneration policies for Directors, Group CEO, Executive Directors, KMP and other senior executives (the "RC Role"). The details of the RC Role are found on page 62 of this Annual Report.

## NC ROLE

The renewal of Board membership is an ongoing process to ensure good governance and to maintain relevance in a changing business environment. All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. The key terms of reference of the NRC include the following:

- (i) Review the structure, size and composition of the Board;
- (ii) Review the succession plans for the Directors and KMP, in particular the appointment and/or replacement of the Board Chairman, Deputy Chairman, Directors, Group CEO and other KMP, and make recommendations to the Board on all appointments and re-appointments of Directors of the Company;
- (iii) Develop and maintain a formal performance evaluation framework to assess and evaluate the effectiveness of the Board, the Board Committees and individual Director's performance;
- (iv) Assess the effectiveness of the Board and Board Committees and the contributions by each individual Director to the effectiveness of the Board;
- (v) Determine annually, and as and when circumstances require, if a Director continues to be considered independent; and
- (vi) Make recommendations to the Board on the review of training and professional development programmes for the Board and the Directors.

## 4.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

As at 31 December 2023, the NRC comprised six (6) NEDs, of whom four (4), including the NRC Chairman, are independent. The composition of the NRC therefore complies with the requirement under the Code which specified that the NC comprises at least three (3) directors, the majority of whom, including the NC Chairman, are independent.

## 4.3 PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As part of the Board succession plan, potential candidates may be identified from time to time for appointment to the Board after the NRC evaluates and assesses their suitability in strengthening the diversity of skills, experience, age, gender, knowledge and relevant core competencies of the Board whilst ensuring that there is a balanced tripartism experience from government, labour and business to avoid unproductive groupthink and bias.

The process for selection of new Directors is as follows:

- (i) The NRC assesses the desired competencies and attributes of the Board taking into account the Group's businesses and its strategic objectives as well as the need for diversity on the Board.
- (ii) The NRC then assesses the competencies and attributes to include into the current representation to achieve the desired mix. This forms the basis for selection of new Directors.
- (iii) New Directors are sourced through various channels, including recommendations of Directors and Management and if required, external search consultants.
- (iv) Potential candidates are interviewed by the NRC to assess suitability and commitment.
- (v) The NRC makes recommendations to the Board for approval.

In compliance with the Bus Services Industry Act 2015 and the Rapid Transit Systems Act (Cap. 263A), all appointments to the Board are subject to approvals of the Land Transport Authority of Singapore.

The Constitution of the Company provides that one-third of the Directors are subject to retirement and re-election by rotation at every AGM. All Directors are required to retire from office at least once every three (3) years. Re-election is, however, not automatic, and all Directors are assessed by the NRC on their past performance and contributions before being recommended to shareholders for re-election at the AGM. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments.

At the forthcoming AGM, Mr Tan Beng Hai and Ms Lee Sok Koon are due for re-election pursuant to Regulation 100 of the Company's Constitution. Pursuant to Regulation 106 of the Constitution, newly appointed Directors will hold office until next AGM and shall then be eligible for re-election. Accordingly, Dr Christina Lim Yui Hung, who was appointed as Director of the Company on 1 October 2023, and Mr Patrick Daniel and Mr Edwin Yeo Teng Chuan, who were appointed as Directors of the Company on 1 January 2024, will stand for re-election at the coming 2024 AGM.

## ALTERNATE DIRECTOR

Consistent with the Code, there is no alternate Director on the Board.

## 4.4 REVIEW OF INDEPENDENCE

The process undertaken by the NRC to review the independence of the Directors is set out in pages 54 and 55 above.

### The NINE-YEAR RULE

In determining the independence of a Director with less than 9 years of service, the NRC's approach has been a holistic one, taking into consideration various factors such as whether the Director has any interest, business, relationship and/or any other material contractual relationship with the CDG Group which could compromise or reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement. Except where SGX-ST Listing Rule 210(5)(d)(iv) (which states that a Director will not be independent if he has been a Director of the issuer for an aggregate period of more than nine years (whether before or after listing)) applies, the length of service is not a critical factor in determining the independence of any Director but it should nevertheless remain one of the factors in considering Directors' independence.

SGX-ST Listing Rule 210(5)(d)(iv) does not apply to any of the Directors in office as at 31 December 2023 or at present, except for Professor Lim Seh Chun who is due to retire at the forthcoming 2024 AGM.

The NRC will continue to review the independence of the Directors of the Company on an annual basis and as and when, material circumstances change.

## 4.5 MULTIPLE DIRECTORSHIPS AND PRINCIPAL COMMITMENTS

The NRC subscribes to the view that it is important for Directors to devote sufficient time and attention to the affairs of the Group. Consistent with the guidelines in the Code, the NRC and the Board have adopted the following as a proactive step to ensure this:

- A Director who is in full-time employment should not serve as a Director on the Board of more than two (2) listed companies; and
- A Director who is not in full-time employment should not serve as a Director on the Board of more than five (5) listed companies.

As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NRC takes the view that if a Director wishes to hold more board representations than the maximum stated in the guidelines, a request must be made to the Chairman for approval. As a policy, the Chairman himself should not hold more than five (5) directorships in listed companies if he is not in full-time employment and not more than two (2) directorships in listed companies if he is in full-time employment.

In assessing a Director's contribution, the NRC takes a holistic approach. Focusing solely on the Directors' attendance at Board and Board Committee Meetings per se may not be an adequate evaluation of the contribution of the Directors. Instead, their ability to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board and Board Committee Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

As a policy, the Group CEO, being an executive of the Company, besides adhering to the guidelines set on the maximum number of board representations on listed companies, will also have to seek the approval of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the Group CEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman will also ensure that the Group CEO will not accept appointments to the boards of competitors.

As at 31 December 2023, all Directors complied with the guidelines on multiple board representation.

## 4.6 BOARD SUCCESSION PLANNING

The NRC makes recommendations to the Board on the review of succession planning for Directors, in particular the Chairman and the Group CEO, as well as KMP, as follows:

- (i) Long-term planning, to identify competencies needed for the Company's strategy and objectives;
- (ii) Medium-term planning, for the orderly replacement of Board members and KMP: and
- (iii) Contingency planning, for preparedness against sudden and unforeseen changes.

In relation to Directors, the NRC aims to maintain an optimal Board composition by considering the trends and factors affecting the long-term success of the Company, reviewing the skills needed, and identifying gaps, which includes considering whether there is an appropriate level of diversity of thought.

In relation to KMP succession, the NRC takes an active interest in the performance and management of key talent within the Group, including identifying strong candidates and developing them to take on senior positions in future.



#### 4.7 KEY INFORMATION ON DIRECTORS

The profiles of the Directors and key information are set out in this Annual Report from pages 18 to 25.

The Notice of AGM sets out the Directors who are proposed for re-election or re-appointment at the forthcoming AGM. Key information on Directors are also available on the Company's website.

#### PRINCIPLE 5: BOARD PERFORMANCE

Each year, the Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual directors.

##### 5.1 BOARD PERFORMANCE EVALUATION

The NRC is delegated by the Board to undertake a process to assess the effectiveness of the Board in terms of overall performance and growth of the Group, achieving a reasonable return for shareholders, preventing conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at AGM, Board and Board Committee Meetings and corporate activities, contributions in specialist areas and maintenance of independence. The performance criteria are determined by the NRC and approved by the Board, and does not change from year to year.

##### 5.2 ANNUAL BOARD PERFORMANCE EVALUATION PROCESS

As part of the Company's digitalisation efforts and to increase efficiency in the collation of the yearly Board and Board Committees performance evaluation results, the Company has used a digital platform to enable the Directors to complete all the relevant performance evaluation forms electronically.

The following performance evaluation forms ("**PE Forms**") were completed for FY2023:

- (i) Individual Director Self-Assessment Form ("**IDSA Form**");
- (ii) Board Committee Performance Evaluation ("**PE**") Form for the ARC, NRC, SQC, TIC and SC; and
- (iii) Board Performance Evaluation Form ("**Board PE Form**").

The procedures to complete the electronic performance evaluation forms are as follows:

##### (a) Individual Director Self-Assessment Form

Each Director will complete an IDSA Form. The Company Secretary will generate the report from the system and send it to the Chairman of the NRC and Board to review.

##### (b) Board Committee Performance Evaluation Forms for ARC, NRC, SQC, TIC and SC

The respective Board Committee members will complete the relevant Board Committee performance evaluation forms. The Company Secretary will generate a summary of the respective Board Committees' performance evaluation results for the relevant Chairperson to review. The final performance evaluation results of all the Board Committees will then be submitted to the NRC through the Company Secretary and subsequently to the Board for final endorsement.

##### (c) Board Performance Evaluation Form

The NRC members are responsible for completing the Board PE Form. The Company Secretary will generate a summary of the Board performance evaluation results for the NRC Chairman to review, before submitting to the Board for final endorsement.

In evaluating the performance of the Board, the NRC and the Board take into account the results of the performance evaluation of the Board Committees.

The performance evaluation includes key points such as the Board composition and size, Board accountability, conduct of the Board and Board Committee Meetings, standards of conduct and whether the Directors have discharged their duties effectively.

The Board and Board Committees evaluates the responses of Directors in the PE Forms, and identify and address any area for improvement highlighted by the responses.

## 2. REMUNERATION MATTERS

#### PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

SBS Transit recognises the importance of having a skilled and dedicated workforce to manage and grow the Group's businesses in an increasingly competitive and challenging environment. It therefore places great emphasis on motivating staff through engagement, recognition and an alignment of rewards to corporate and individual performance, as well as long-term interests of the Group and shareholders.

The Board has a formal and transparent process for developing policies on Directors and Executive remuneration, and for fixing the remuneration packages of individual directors and KMP. No Director is involved in deciding his or her own remuneration.

## 6.1 ROLES AND RESPONSIBILITIES OF THE NOMINATING AND REMUNERATION COMMITTEE

### RC ROLE

In relation to the RC Role, the NRC plays an important role in setting the Group's remuneration policies for Directors, Group CEO, Executive Directors, KMP and other senior executives. Besides providing the Board with an independent review and assessment of the remuneration packages of the Directors, it also reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success and the enhancement of shareholder value.

## 6.2 COMPOSITION OF THE NOMINATING AND REMUNERATION COMMITTEE

As mentioned above, as at 31 December 2023 and at present, all members of the NRC are NEDs, the majority of whom, including the Chairman of the NRC, are independent of Management and are also free from any business or other relationships which may materially interfere with their exercise of independent judgement.

The composition of the NRC therefore complies with the requirement under the Code that the RC comprises at least three (3) directors, all of whom are non-executive and the majority, including the RC Chairman, are independent.

## 6.3 REMUNERATION MATTERS

The NRC considers all aspects of remuneration, including the terms of termination, to ensure they are fair.

All decisions by the NRC are made by a majority of votes of the NRC members who are present and voting. Any member of the NRC with a conflict of interest in relation to the subject matter under consideration will abstain from voting, approving or making recommendations that would affect the decisions of the NRC. The Group CEO is not present at and does not participate in any NRC discussions pertaining to his own compensation and the review of his performance. He is, however, in attendance when the compensation of other KMP is discussed. No Director is involved in deciding his or her own remuneration.

The key terms of reference of the NRC, in relation to remuneration matters, include the following:

- (i) Establishes a formal and transparent procedure for developing the Group's remuneration policies and fixing the remuneration packages for individual Directors and KMP, and reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success;

- (ii) Reviews and recommends to the Board the remuneration framework and the specific remuneration packages for the Directors, and ensure that the level of remuneration offered is appropriate to the level of contribution;
- (iii) Reviews and approves the remuneration framework, and the specific remuneration packages of KMP to ensure that they are aligned with the long-term interests of the Group and appropriate to attract, retain and motivate KMP to provide good stewardship of the Group and to successfully manage the Group for the long term;
- (iv) Reviews the Group's obligations arising in the event of termination of Directors' and KMPs' services to ensure that they are fair, reasonable and equitable, including the cessation of financial incentives that have been earned but not yet disbursed, due to exceptional circumstances of misstatement or misconduct; and
- (v) Oversees the administration of the SBS Executive Share Scheme ("**Share Scheme**") which shall include but not be limited to the offer and grant of ordinary shares of the Company ("**Shares**") to KMP within the provisions of the Share Scheme and to delegate any part of the administration of the Share Scheme to any person or a corporate function to give effect to such provisions.

## 6.4 ACCESS TO GROUP CHIEF HUMAN RESOURCE OFFICER AND EXTERNAL REMUNERATION CONSULTANTS

The NRC has unrestricted access to the Group Chief Human Resource Officer, who attends all NRC meetings and provides the relevant market remuneration data and practices to the Committee. The NRC may also seek external independent expert advice on such matters where needed. Where such advice is sought, the NRC will ensure that there is no existing relationship between the Group and its appointed consultants that will affect the independence and objectivity of the consultants.

The Group continued to engage the services of an external consulting firm, Willis Towers Watson in FY2023, to conduct an executive compensation benchmarking exercise for an independent review of the compensation packages of its senior executives.

The NRC is of the view that there is no existing relationship between Willis Towers Watson and the Group that would affect their independence and objectivity.

## PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The Group is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationship between remuneration, performance and value creation.

The level and structure of remuneration of the Board and KMP are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group, and is appropriate to attract, retain and motivate the Directors and KMP to successfully manage the Group for the long term.

### 7.1 PERFORMANCE-RELATED REMUNERATION

The Group is committed to creating and enhancing shareholder value through growth that is sustainable and profitable. The remuneration packages of the Group CEO and KMP comprise fixed and variable components, and are appropriate and proportionate to the sustained performance and value creation of the Group. The variable component in the form of year end performance bonuses, forms a significant proportion of the remuneration packages and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the Group's guidelines on fixed to variable component ratios in respect of remuneration packages are 70:30 for rank and file employees, 60:40 for middle management employees and 50:50 for senior management employees. Notwithstanding the guidelines, the actual remuneration packages for employees are ultimately determined on a case-by-case basis with the aim of maximising employee engagement and retention. The Group believes that a higher proportion of performance related component would ensure greater alignment of interests of the employees with those of shareholders and contributes to sustainable performance and value creation in the long-term.

Total Shares granted to the Directors of the Company in FY2023 in relation to their contributions as Executive Directors in FY2022 are as follows:

NAME OF PARTICIPANT	SHARE AWARDS GRANTED DURING FY2023 (SHARES AWARDED TO BE VESTED OVER 4-YEAR PERIOD)	AGGREGATE SHARE AWARDS GRANTED SINCE COMMENCEMENT OF SCHEME TO END OF FY2023	AGGREGATE SHARE AWARDS VESTED SINCE COMMENCEMENT OF SCHEME TO END OF FY2023	AGGREGATE SHARE AWARDS OUTSTANDING AS AT END OF FY2023 (UNVESTED SHARES)
<b>CHENG SIAK KIAN</b>	80,000	110,000	7,500	102,500
<b>JEFFREY SIM VEE MING</b>	50,000	75,000	6,250	68,750
<b>LIM TIEN HOCK</b>	35,000	35,000	–	35,000

None of the abovementioned Directors participated in any discussion or decision on the matter of his own Share awards.

(1) Details of SBS Executive Share Scheme are found in the Directors' Statement on page 88 of this Annual Report.

## SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES – SBS EXECUTIVE SHARE SCHEME<sup>(1)</sup>

The Company obtained shareholders' approval at its AGM held on 29 April 2022 to implement the Share Scheme for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group.

The NRC may attach such relevant conditions to the awards under the Share Scheme as it may determine at its absolute discretion, including but not limited to, the satisfaction of performance targets and applicable performance periods, vesting schedule pursuant to which awards shall vest, and/or lapsing of awards in the event of misconduct or breach of the terms of employment.

The aggregate number of Shares which may be granted under the Scheme shall be subject to the applicable limits prescribed under the Listing Manual.

The Board and the NRC, which administers the Share Scheme, believe that the Share Scheme will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

In FY2023, a total of 567,000 (FY2022: 411,000) Share awards were granted to selected Senior Employees of the Group under the Share Scheme. This included a grant of 80,000 Share awards to the Deputy Chairman, Mr Cheng Siak Kian, for his contributions as an Executive Director in FY2022, 50,000 Share awards to the Group CEO, Mr Jeffrey Sim Vee Ming, and 35,000 Share awards to the Chief Executive Officer of Bus Business, Mr Lim Tien Hock. These are time-based awards to be vested over a four-year period.

# CORPORATE GOVERNANCE

## 7.2 REMUNERATION OF NON-EXECUTIVE DIRECTORS

The structure for the payment of fees to NEDs for their services on the Board and on the various Board Committees is based on a framework comprising basic fees, attendance fees, and additional fees for serving on Board Committees and also, where applicable, for undertaking additional services for the Group. The fees are subject to the approval of shareholders at the AGM.

The Directors' fee structure for FY2023 and FY2024 is set out below:

BOARD	BASIC FEE (PER ANNUM)			
CHAIRMAN	S\$73,000			
DEPUTY CHAIRMAN	S\$54,750			
MEMBER	S\$36,500			

BOARD COMMITTEE	ADDITIONAL FEES (PER ANNUM) AS			
	CHAIRMAN		MEMBER	
	FY2023	FY2024	FY2023	FY2024
AUDIT AND RISK COMMITTEE	S\$24,333	S\$24,333	S\$17,033	S\$17,033
NOMINATING AND REMUNERATION COMMITTEE	S\$14,600	S\$14,600	S\$10,220	S\$10,220
SERVICE QUALITY COMMITTEE*	S\$12,167	–	S\$8,517	–
TENDERS AND INVESTMENTS COMMITTEE	S\$12,167	S\$12,167	S\$8,517	S\$8,517
SUSTAINABILITY COMMITTEE*	S\$12,167	–	S\$8,517	–
SUSTAINABILITY AND SERVICE QUALITY COMMITTEE*	–	S\$18,250	–	S\$12,167

\* The SQC and the SC were combined to form the SSQC with effect from 1 January 2024. As the roles and responsibilities of the SSQC included those of the SQC and the SC, the SSQC fee is set at the amount equivalent 1.5 times the fee for SQC or SC, or a 50% increase from the fee for SQC or SC.

The attendance fees payable to NEDs for attendance at each Board and Board Committee Meeting and the AGM have reverted to pre-COVID-19 rates as indicated in the table below:

MEETING	ATTENDANCE FEE (PER MEETING)#	
	2022	2023 to 2024
	IN-PERSON/DIAL-IN	IN-PERSON/DIAL-IN
BOARD / BOARD COMMITTEE MEETING HELD LOCALLY	S\$2,000	S\$2,000 / S\$1,000
BOARD / BOARD COMMITTEE MEETING HELD OVERSEAS	US\$2,000	US\$2,000 / US\$1,000

# For 2023, Directors were only paid one attendance fee per day irrespective of the number of meetings held on the same day. However, with effect from 1 January 2024, following market practice, Directors will be paid for each Board, Board Committee and other ad-hoc Directors' meeting as well as the AGM.

## 7.3 REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The NRC and the Board have reviewed and are satisfied that the framework for remuneration and specific remuneration package for each Director as well as for the KMP are appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the Company for the long term.

### PRINCIPLE 8: DISCLOSURE ON REMUNERATION

#### 8.1 REMUNERATION OF DIRECTORS AND EXECUTIVES

REMUNERATION OF GROUP CEO FOR FY2023 IS AS FOLLOWS:

REMUNERATION	THE GROUP				
	SALARY	BONUS	SHARE AWARDS	OTHERS	TOTAL COMPENSATION
	\$	\$	\$	\$	\$
<b>JEFFREY SIM VEE MING</b>	366,000	289,750	156,800 <sup>(1)</sup>	35,960	848,510

Note

(1) This value includes the total value of the Share award granted to Mr Sim under the Share Scheme and the award of ordinary shares of ComfortDelGro under the ComfortDelGro Executive Share Award Scheme, in respect of his performance in FY2022. The vesting of these awards will be subject to the achievement of performance targets over a 4-year performance period.

## DIRECTORS' FEES

Directors' fees are for services rendered by the Non-Executive Directors on the Board as well as the various Board Committees. The amount includes Directors' attendance fees for scheduled Board and Board Committee meetings held throughout the year.

The Directors' Fees of the Non-Executive Directors in FY2023 are as follows:

	<b>DIRECTORS' FEES</b>
	<b>FY2023</b>
	<b>S\$</b>
<b>BOB TAN BENG HAI</b> <sup>(1)</sup>	159,283.33
<b>CHENG SIAK KIAN</b> <sup>(2)</sup>	137,220.00
<b>JEFFREY SIM VEE MING</b> <sup>(3)</sup>	N.A.
<b>LIM TIEN HOCK</b> <sup>(4)</sup>	N.A.
<b>DESMOND CHOO PEY CHING</b>	93,270.00
<b>CHUA MUI HOONG</b> <sup>(5)</sup>	74,286.67
<b>SUSAN KONG YIM PUI</b>	102,270.00
<b>LEE SOK KOON</b>	107,866.67
<b>LIM SEH CHUN</b> <sup>(6)</sup>	98,586.67
<b>CHRISTINA LIM YUI HUNG</b> <sup>(7)</sup>	17,000.64
<b>TAN KIM SIEW</b>	100,270.00
<b>YU CHING MAN</b>	90,700.00

### Notes

- (1) Mr Bob Tan Beng Hai's Directors' Fees include Directors' Fees from SBS Transit Rail Pte. Ltd., a wholly-owned subsidiary of the Company, where he is Chairman of the Board.
- (2) Mr Cheng Siak Kian's Directors' Fees are paid to ComfortDelGro, and include Directors' Fees from SBS Transit Rail Pte. Ltd., where he is a member of the Board.
- (3) Mr Jeffrey Sim Vee Ming is a Non-Independent Executive Director of the Company. No Directors' Fees will be paid to him for FY2023.
- (4) Mr Lim Tien Hock is a Non-Independent Executive Director of the Company. No Directors' Fees will be paid to him for FY2023.
- (5) Ms Chua Mui Hoong was appointed a member of the SC and stepped down as a member of the ARC on 27 April 2023.
- (6) Professor Lim Seh Chun's Directors' Fees include Directors' Fees from SBS Transit Rail Pte. Ltd., where he is a member of the Board.
- (7) Dr Christina Lim Yui Hung was appointed as an Independent Non-Executive Director and a member of the SC on 1 October 2023. Her Directors' Fees include Directors' Fees from SBS Transit Rail Pte. Ltd., where she was appointed a Director on 1 December 2023.

## REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the KMP in the five (5) key portfolios having regard to the performance of the individuals and the Group, are as follows:

REMUNERATION FY2023 REMUNERATION BAND	THE GROUP				TOTAL
	SALARY	BONUS	SHARE AWARDS	OTHERS	COMPENSATION
	%	%	%	%	%
<b>\$500,000 to \$749,999</b>					
<b>MOK PENG FAI, ANTHONY</b>	51.6	30.1	12.9 <sup>(1)</sup>	5.4	100.0
<b>LEE YAM LIM</b>	51.2	29.9	12.3 <sup>(1)</sup>	6.6	100.0
<b>LIM TIEN HOCK</b>	45.4	30.2	20.1 <sup>(1)</sup>	4.3	100.0
<b>\$250,000 to \$499,999</b>					
<b>IVAN TAN ENG KOK</b>	53.3	30.2	11.4 <sup>(1)</sup>	5.1	100.0
<b>CHEW KUM EE</b>	52.4	26.2	14.6 <sup>(1)</sup>	6.8	100.0

The total remuneration paid to these five (5) KMP holding the key portfolios amounted to S\$2,659,430 in FY2023.

### Note

- (1) This value includes the total value of the Share award granted to the KMP under the Share Scheme and the award of ordinary shares of ComfortDelGro under the ComfortDelGro Executive Share Award Scheme, in respect of the KMP's performance in FY2022. The vesting of these awards will be subject to the achievement of performance targets over a 4-year performance period.

# CORPORATE GOVERNANCE

## 8.2 REMUNERATION OF CERTAIN RELATED EMPLOYEES

During the FY2023, no employee whose remuneration exceeded \$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director or the Group CEO. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

## 8.3 REMUNERATION AND OTHER PAYMENTS AND BENEFITS FROM THE GROUP TO DIRECTORS AND KEY MANAGEMENT PERSONNEL

During FY2023, no other forms of remuneration and other payments and benefits, were paid by the Company and its subsidiaries to the Directors and the KMP of the Company, except as disclosed above in Sections 8.1 and 8.2.

## 3. ACCOUNTABILITY AND AUDIT

The Board has overall accountability to the shareholders of the Company and ensures that the Group is managed well and guided by sustainable long-term strategic objectives. The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects. Material price sensitive and trade sensitive information, annual reports and other material corporate developments are disseminated in a timely and transparent manner and posted on the Company's website as well as SGXNET. The financial results are reported semi-annually via SGXNET with an accompanying Negative Assurance by the Board to confirm that nothing has come to its attention that may render the results false or misleading in any material aspect. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining shareholder confidence and trust.

### DEALINGS IN SECURITIES

The Group has a formal Policy on Securities – Restrictions Against Dealings to provide guidance to Directors and executives of the Group in relation to dealings in the securities of the Company, ComfortDelGro and VICOM. Directors and executives of the Group are prohibited from dealing in the securities of the Company, ComfortDelGro and VICOM during the period commencing one month before the announcement of the Company's, ComfortDelGro's and VICOM's semi-annual results and full-year results (as the case may be) and ending on the date of the announcement of the relevant results. All Directors and executives are notified of the trading blackout periods before the start of the financial year and are given reminders prior to each trading blackout period.

All Directors and executives of the Group are also told that they must not deal in (i) the securities of the Company, ComfortDelGro and VICOM on short-term considerations and/or while in possession of unpublished material, price-sensitive or trade sensitive information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material, price-sensitive or trade sensitive information relating to those securities.

The Group has put in place a standard operating procedure ("SOP") on compilation of information on privy persons who have access to material information of transactions that have yet to be disclosed to the public. The SOP prescribes that the person-in-charge of such transactions must remind all privy persons to keep all material information strictly confidential.

## PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

### 9.1 DETERMINATION OF THE NATURE AND EXTENT OF SIGNIFICANT RISKS

Risk management is cardinal and integral part of the Group's strategic planning and decision-making process. Key risks are identified and presented to the ARC and Board half-yearly. Ownership of the risk management process is clearly defined and assigned to the executive and functional level, with stewardship retained at Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy and effectiveness of the risk governance, risk policy and internal controls in place are also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems are in place within the Group. A detailed description of the Group's approach to internal controls and risk management can be found from pages 81 to 83 of this Annual Report.

As part of the risk management process, all businesses are required to refresh their risk inventories, conduct risk prioritisation exercises, identify key and emerging risks, and develop the requisite risk controls and risk treatment action plans. The identified risks, their indicators and action plans are to be continually reviewed and reported.

The Internal and External Auditors conduct reviews in accordance with their audit plans. Any material non-compliance and recommendations for improvements on the internal controls are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

### 9.2 ASSURANCE FROM THE GROUP CEO, CHIEF FINANCIAL OFFICER AND KEY MANAGEMENT PERSONNEL

For FY2023, the Board has received assurance from the Group CEO and the Chief Financial Officer ("CFO") that (i) the financial records have been properly maintained and the financial statements are prepared in compliance

with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group's internal controls system (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

## PRINCIPLE 10: AUDIT AND RISK COMMITTEE

As at 31 December 2023, the ARC comprised three (3) Independent NEDs, including the Chairperson of the ARC, and two (2) Non-Independent NEDs. At present, the ARC comprises three (3) Independent NEDs, including the Chairperson of the ARC, and one (1) Non-Independent NED. None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the External Auditors. The Chairman and members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

### 10.1 ROLES AND RESPONSIBILITIES OF THE AUDIT AND RISK COMMITTEE

The terms of reference of the ARC are aligned with the provisions of Section 201B(5) of the Companies Act 1967 and include the following:

- (i) Review the half-year and full-year financial statements, including the significant accounting and financial reporting issues and judgements so as to ensure the integrity of the financial statements, as well as any formal announcements relating to the Group's financial performance and recommends to the Board the acceptance of such financial statements;
- (ii) Review and reports to the Board at least annually, the adequacy and effectiveness of the Group's internal control system (including financial, operational, compliance and information technology controls) and risk management systems;
- (iii) Review the assurance from the Group CEO and the CFO on the financial records and financial statements;
- (iv) Review the effectiveness, adequacy, independence, scope and results of the Group's external audit and internal audit function;
- (v) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (vi) Review Interested Person Transactions;

- (vii) Make recommendations to the Board on:
  - (a) the proposal to the shareholders on the appointment and removal of the External Auditors; and
  - (b) the remuneration and terms of engagement of the External Auditors;
- (viii) Review and approve the annual audit plans of the External Auditors;
- (ix) Review and approve the Internal Auditors' annual and three-year rolling work plans; and
- (x) Review the policy and arrangements for concerns about possible improprieties in financial reporting or matters to be safely raised, independently investigated and appropriately followed up on, including the Group's Whistleblowing Policy. The Whistleblowing Policy is described on pages 70 and 83 of this Annual Report.

The ARC members keep abreast of relevant changes to accounting standards and issues through attendance at relevant seminars/talks, articles and news circulated by the Company Secretaries and regular updates by the External Auditors at ARC Meetings.

### 10.2 COMPOSITION OF THE AUDIT AND RISK COMMITTEE

As mentioned above, as at 31 December 2023, the ARC comprised three (3) Independent NEDs, including the Chairperson of the ARC, and two (2) Non-Independent NEDs, and at present, the ARC comprises three (3) Independent NEDs, including the Chairperson of the ARC, and one (1) Non-Independent NED.

The ARC members as at 31 December 2023, who collectively bring with them recent and relevant managerial and professional expertise in accounting and related financial management domains, are as follows:

- (i) Ms Lee Sok Koon, Chairperson of the ARC, is an Independent Non-Executive Director of the Company. She is also a member of the TIC. She is also an Independent Non-Executive Director of Japan Foods Holding Ltd, Lum Chang Holdings Ltd and Mooreast Holdings Ltd, all public listed companies on the SGX-ST, and an honorary member of the Fundraising Committee of Singapore Arts School Ltd, Singapore's first pre-tertiary specialised arts school. Ms Lee is an Independent Director of NUS America Foundation, Inc., a tax exempt public charity in the United States of America, and a member of the Finance and Investment Committee of the Singapore Island Country Club from 5 October 2021 to 29 September 2023. Ms Lee was the Director of Operations in the Development Office of the National University of Singapore from May 2012 to August 2017. Prior to this appointment, Ms Lee was the Finance Director of Lum Chang Holdings Ltd and L.C. Development Ltd (now known as AF Global

# CORPORATE GOVERNANCE

Limited), both public companies which are listed on the Singapore Exchange. She was responsible for the finance and corporate affairs of the two listed companies covering all financial matters, corporate governance, tax, legal, corporate communications and internal audit for more than 20 years. Ms Lee holds a Bachelor of Accountancy (Hons) from the then University of Singapore in 1975. She is a Fellow Member of the Institute of Singapore Chartered Accountants and a member of the Institute of Directors in Singapore.

- (ii) Mr Cheng Siak Kian is the Deputy Chairman of the Company as well as a Non-Independent Non-Executive Director of the Company. He is a member of the NRC and the TIC. He first joined the Company in September 2015 and served as Senior Vice President in the bus operations division where he was an integral member of the tender team that was successful in its bid for the Seletar Bus Package. In December 2016, he was posted to Australia to helm the New South Wales operations of ComfortDelGro. He returned to the Company in July 2019 to assume the appointment of Chief Operating Officer and was promoted to Acting Chief Executive Officer on 1 March 2020. Subsequently, he was appointed the Chief Executive Officer of the Company from 1 March 2021 to 31 December 2022 with a concurrent appointment as Group Deputy Chief Executive Officer of ComfortDelGro from 16 March 2022 until 31 December 2022. Mr Cheng stepped down as Chief Executive Officer of the Company on 1 January 2023 to assume the position of Managing Director/Group Chief Executive Officer of the ComfortDelGro Group. He obtained a Bachelor of Electrical and Electronic Engineering (First Class) from the University of Manchester, United Kingdom and a Master of Business Administration from the Massachusetts Institute of Technology, USA.
- (iii) Mr Desmond Choo Pey Ching is an Independent Non-Executive Director of the Company. He is also a member of the NRC. Mr Choo is currently the Assistant Secretary-General and Director of Policy Division at National Trades Union Congress (NTUC), overseeing the economic and social policies, strategic communications and international affairs teams. He is also the Executive Secretary of the Union of Telecoms Employees of Singapore and Adviser to Young NTUC. Mr Choo is an elected Member of Parliament for Tampines Group Representative Constituency and the Adviser to Tampines Changkat Grassroots Organisations since 2015. He is also the Mayor of the North East District, overseeing social and community development for 20 constituencies. He also serves as Chairman of the Government Parliamentary Committee (GPC) for Manpower. Mr Choo also sits on the Board of Directors for Surbana Jurong Pte Ltd since June 2018. Prior to NTUC, he had served in various roles in the Singapore Police Force (SPF), Ministry of Manpower as well as in the private sector. Prior to his NTUC appointment, he was Senior Vice President, Investments, of Kestrel Capital Pte Ltd. Mr Choo was awarded the SPF Overseas Merit Scholarship in 1997 to read Economics and Social Sciences at the University of Chicago.
- (iv) Ms Susan Kong Yim Pui is a Non-Independent Non-Executive Director of the Company. She is a member of the ARC, the NRC, and the TIC. Ms Kong was appointed an Independent Non-Executive Director of ComfortDelGro, the Company's parent company, with effect from 1 January 2023, when she was re-designated a Non-Independent Non-Executive Director of the Company and also stepped down as Chairperson of the NRC but remained a member. She has an LLB (Hons) from the National University of Singapore and has been a practising lawyer for more than thirty (30) years and is recognised as a leading practitioner in the areas of Banking and Finance, Real Estate, Mergers and Acquisitions and Capital Markets. Ms Kong is the founder of Q.E.D. Law Corporation. In her practice, she has advised listed companies and financial institutions on corporate governance and compliance issues. Ms Kong is a Non-Independent Non-Executive Director of SBS Transit, the Chairperson of Singapore Tyler Print Institute and a Director of HealthServe Limited. Ms Kong has also been a Director of Surbana Corporation Private Limited and UOB Radanasin Bank Public Company Limited in Thailand for more than nine (9) years.
- (v) Dr Tan Kim Siew is an Independent Non-Executive Director of the Company. He is a member of both the ARC and the NRC. He is also the Chairman and an Independent Non-Executive Director of VICOM. Dr Tan is presently a Senior Consultant in the Ministry of Finance. From 2012 to 2014, Dr Tan served as the Commissioner of Inland Revenue. Prior to this appointment, Dr Tan was the Permanent Secretary (Defence Development) of the Ministry of Defence from 2003 to 2012. He had also held other appointments in the public service, including Chief Executive Officer of the Urban Redevelopment Authority, Deputy Secretary in the Ministry of Finance and in the Ministry of National Development, Chairman of the Defence Science and Technology Agency, and Chairman of the DSO National Laboratories. Dr Tan was awarded the Public Administration Medal (Silver) (Military) in 1990, the Public Administration Medal (Silver) in 1996, the Public Administration Medal (Gold) in 2001 and the Long Service Medal in 2003 by the President of the Republic of Singapore. Dr Tan holds a Bachelor of Arts (Honours) (Engineering Tripos) with Distinction in Electronics Engineering and Doctor of Philosophy (Engineering) from the University of Cambridge, United Kingdom.



The details of the ARC members' credentials are found on pages 19 to 24 of this Annual Report.

### 10.3 CONFIRMATION OF NO FORMER PARTNERS OR FINANCIAL INTEREST

None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the Company's current External Auditors.

### 10.4 INTERNAL AUDIT

The Internal Audit function of the Group is performed by ComfortDelGro's Group Internal Audit Division (the "**IA Division**") comprising suitably qualified and experienced Internal Audit staff including the Group Chief Internal Audit Officer ("**GCIAO**"). The ComfortDelGro Group Internal Audit staff have professional qualifications and are either members of the Institute of Singapore Chartered Accountants, CPA Australia, the Information Systems Audit and the Control Association or Institute of Internal Auditors. The GCIAO reports functionally to the Chairperson of the ARC and administratively to the Managing Director/Group CEO of ComfortDelGro. The ARC participates in the hiring, removal and evaluation of the GCIAO and reviews his performance with the Managing Director/Group CEO of ComfortDelGro.

The IA Division adopts a risk-based approach in its continuous audit work with focus on material internal control systems including financial, operational, information technology and compliance controls. It provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group. The annual audit plan is developed by the GCIAO in consultation with, but independent of, Management and are subject to the ARC's approval before the start of each financial year. Quarterly internal audit reports are also prepared and submitted to the ARC. Any material non-compliance or lapses in internal controls are reported to the ARC and the Group CEO for improvements to be made. The ARC conducts review of the adequacy, effectiveness, independence, scope and results of the internal audit function. The ARC has full access to the GCIAO, and meets with the GCIAO at least once a year without the presence of Management. The IA Division is given unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC and has appropriate standing within the Group.

The activities and organisational structure of the IA Division are monitored and reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions and that there are no unjustified restrictions and limitations placed on the performance of its duties. The IA Division has adopted the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors ("**IIA Standards**"). The IA Division

successfully completed its external Quality Assurance Review in 2023 by Protiviti and continues to meet or exceed the IIA Standards in all key aspects. The Quality Assurance Review is conducted every 5 years.

The ARC finds the IA Division independent, effective and adequately resourced.

### 10.5 AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC held four (4) meetings during FY2023. The Group CEO, CFO, and GCIAO were present at these meetings. The External Auditors attended the meetings that discussed the half year and full year results. The ARC reviewed and considered the following:

- (i) Overall scope of both internal and external audits and results of their respective audits;
- (ii) Significant internal and external audit observations and Management's responses;
- (iii) Group Internal Audit Goals in response to Internal Audit Quality Assurance Review;
- (iv) Half-year and full-year results announcements and the financial statements and recommendation to the Board;
- (v) Adoption of the Singapore Financial Reporting Standards (International);
- (vi) Interested Person Transactions;
- (vii) Corporate service charges;
- (viii) Risk management and adequacy and effectiveness of internal controls;
- (ix) Independence of the External Auditors;
- (x) Recommendation to the Board of the appointment or re-appointment of External Auditors and its remuneration; and
- (xi) Significant matters (if any) raised through the Whistleblowing channel.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from the Management, discretion to invite any Director or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

The ARC meets with the Internal and External Auditors annually without the presence of the Management. During these meetings, the Internal and External Auditors may raise issues encountered in the course of their work directly to the ARC.

# CORPORATE GOVERNANCE

## 10.6 SIGNIFICANT FINANCIAL REPORTING MATTERS

In the review of the financial statements of the Group for FY2023, the ARC considered the following key audit matters:

SIGNIFICANT MATTERS	REVIEW OF SIGNIFICANT MATTERS BY THE ARC
<b>Provision for rail contract and recoverability of debt and equity investments in a subsidiary</b>	The ARC has considered the areas of significant judgement used by Management in projecting the future financial performance of the Downtown Line (DTL) Mass Rapid Transit (MRT) system, North East Line (NEL) MRT system and Sengkang-Punggol Light Rapid Transit system (SPLRT) under the terms of the Consolidated Rail Licence. Following the review and discussions with Management and the External Auditors, the ARC is satisfied with the areas of significant judgement used in projecting the future financial performance of the DTL, NEL and SPLRT under the terms of the Consolidated Rail Licence.
<b>Recognition and measurement of provision for accident claims</b>	The ARC considered the approach and methodology applied to the valuation and completeness of the provision for settlement of accident claims. Following the review and discussions with Management and External Auditors, the ARC is satisfied with the estimates used in determining the probability and amounts of expected settlement claims.

Following the review and discussions on the above, the ARC recommended to the Board to approve the financial statements of the Group for FY2023.

## 10.7 REVIEW OF INDEPENDENCE OF EXTERNAL AUDITORS

The ARC assesses the independence of the External Auditors based on the guidelines set by the Accounting and Corporate Regulatory Authority and the Accountants Act 2004 of Singapore. The ARC is satisfied that the independence of the External Auditors, Ernst & Young LLP (“EY”), is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with. The ARC has recommended to the Board that EY be nominated for re-appointment as the Company’s External Auditors at the next AGM. The partner in-charge of auditing the Company is changed every five (5) years as a further safeguard of EY’s independence.

## 10.8 WHISTLEBLOWING POLICY

The Group’s Whistleblowing Policy provides a mechanism for employees and external parties to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst maintaining confidentiality of the identity of whistleblowers and protecting them from reprisal within

the limits of the law. Employees are given a Group Handbook detailing how they can go about raising their concerns. Incidents can also be reported via a direct Intranet link to the GCIAO or the Chairperson of the ARC.

The contact information is as follows:

- i. GCIAO at DID: +65 6383 7010 or by email to [gciao@comfortdelgro.com](mailto:gciao@comfortdelgro.com) or via the intranet.
- ii. Chairperson of the ARC via this email: [arc\\_chairman@sbstransit.com.sg](mailto:arc_chairman@sbstransit.com.sg)

All cases are investigated and overseen by the IA Division, and dealt with promptly and thoroughly. The identities of whistleblowers are kept confidential, and the Group is committed to ensure protection of whistleblowers against detrimental or unfair treatment. The ARC is responsible for oversight and monitoring of whistleblowing.

## 4. SHAREHOLDER RIGHTS AND ENGAGEMENT

### PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

#### 11.1 DISCLOSURE OF INFORMATION TO SHAREHOLDERS

The Company notifies shareholders in advance of the dates of release of its financial results through the Company's website as well as SGXNET. Communications with shareholders are conducted through announcements to the SGXNET, media and analyst briefings after the announcement of the financial results together with its presentation materials, as well as the posting of announcements and press releases on the Company's website. The Group has formulated a Policy on Securities – Drafting and Releasing SGX-ST Announcements to provide guidance on preparation of SGX-ST announcements.

Shareholders may send in their requests or queries through the feedback channel provided on the Company's website ([www.sbstransit.com.sg/feedback](http://www.sbstransit.com.sg/feedback)). The IR function of the Group is performed by the ComfortDelGro Group's IR team ("**Group IR Team**"), led by the ComfortDelGro Head, Group Investor Relations ("**GHIR**"). The Group IR Team is accessible throughout the year to address shareholders' queries. The contact details of the GHIR can be found on the Company's website ([www.sbstransit.com.sg/request-form](http://www.sbstransit.com.sg/request-form)).

Beyond complying with the requirements of the Code, the SGX-ST Listing Manual and the Companies Act 1967, the Company has also taken various additional measures to enhance corporate governance and improve transparency, including:

- (i) The Notice of AGM is released publicly at least 28 days before the AGM is held; and
- (ii) The Annual Report is available to all shareholders at the Company's website at least 28 days before the AGM to ensure that all shareholders have adequate time to review the Annual Report before the AGM. The electronic documentation demonstrates the Group's commitment towards Green and Sustainability efforts. Upon request, hard copies are provided to shareholders.

#### 11.2 RESOLUTIONS AND VOTING AT GENERAL MEETINGS

Each issue or matter requiring shareholders' approval is tabled as a separate and distinct resolution. All the resolutions at the shareholders' meetings are single item resolutions. The Company does not practise bundling of resolutions. The Company will consider implementing absentia voting methods such as voting via mail, e-mail or fax when security, integrity and other pertinent issues are satisfactorily resolved.

The Constitution of the Company provides for voting in-person and by proxy at the AGM of the Company. Each shareholder is allowed to appoint up to two (2) proxies to vote on his/her behalf at shareholders' meetings through proxy forms sent in advance. Relevant intermediaries such as the Central Provident Fund and custodian banks are entitled to appoint more than two proxies to attend, speak and vote at shareholders' meetings. Shareholders who hold shares through these relevant intermediaries will be allowed to attend, speak and vote at the AGM subject to being appointed a proxy by their respective relevant intermediaries.

The Company has adopted electronic poll voting for general meetings since 2013 to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the resolutions by poll, using an electronic voting system. The results of all votes cast for or against each resolution or abstentions, if any, and the respective percentages (voting results) and the names of the independent scrutineers for the AGM are presented during the AGM and are announced via the SGXNET after the AGM. Voting by poll is the most accurate means of tabulating shareholders' votes according to the number of shares owned. The Company believes that this will encourage greater shareholder participation at the Company's general meetings and demonstrates the Company's commitment to high standards of corporate governance and transparency.

#### 11.3 CONDUCT OF SHAREHOLDER MEETINGS INCLUDING DIRECTORS' ATTENDANCE

The Company encourages and supports shareholder participation at general meetings, and views the AGM as a good opportunity for shareholders to meet the Board and Senior Management. The top criterion for selecting the AGM venue is an easy to reach location within Singapore accessible by public transport. Shareholders are informed of shareholders' meetings through notices published in the newspapers and circulars sent to all shareholders. All registered shareholders are invited to attend and participate actively at the AGM and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed resolutions.

All Directors including the Chairman, Group CEO and the chairpersons of the various Board Committees together with Senior Management and the Company Secretaries are present to address any question or feedback raised by the shareholders at the AGM and thereafter, including those pertaining to the proposed resolutions before they are voted on. The External Auditors are also present to address shareholders' queries about the conduct of audit and the preparation and contents of the Auditor's Report.

# CORPORATE GOVERNANCE

## 11.4 VOTING AT GENERAL MEETING OF SHAREHOLDERS

Similar to the Company's AGM for FY2022 held on 27 April 2023, the Company's AGM for FY2023 to be held on 25 April 2024 will also be held both (i) physically ("**Physical Meeting**") and (ii) by way of electronic means ("**Virtual Meeting**"). This is to facilitate high levels of shareholder engagement, with real-time communication and real-time live voting during the AGM for shareholders and proxies attending the Physical Meeting and Virtual Meeting. Shareholders who are not able to attend the AGM in-person or those who prefer to attend the live webcast may do so by audio or audio-visual means. The Company will adhere to the SGX-ST's guiding principle to provide answers to shareholders' questions within reasonable timelines. Please refer to the Notice of the Thirty-First AGM of the Company for more information.

## 11.5 MINUTES OF GENERAL MEETING

The Company prepares minutes of General Meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. The minutes are available to shareholders on the Company's website and SGXNET within one (1) month after the date of the AGM.

## 11.6 DIVIDEND POLICY

The Company's dividend policy is to pay out at least 50% of profit attributable to shareholders of the Company. The dividend policy takes into account the long-term objective of maximising shareholder value, availability of cash and retained earnings, projected capital expenditure and growth opportunities. The Company declares dividend semi-annually and informs its shareholders of the dividend payments via announcements to SGXNET. Dividends are paid to shareholders in an equitable and timely manner.

## PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

### 12.1 REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS

The Company is committed to ensuring that accurate and pertinent information is disseminated to the market in a timely and transparent manner as part of good corporate governance. We have put in place an IR programme to promote regular, effective and fair communications with shareholders and the investment community.

Communications with the SGX-ST is handled by the Company Secretaries, while communications with shareholders, analysts and fund managers is handled by the GHIR. Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information.

In addition, the Company has put in place operational procedures to respond promptly to queries from the SGX-ST on any unusual trading activities in its securities and to clear all announcements to the SGXNET with the Board.

### 12.2 INVESTOR RELATIONS POLICY

The Company's IR Policy sets out the process and mechanism to promote regular, effective and fair communications with shareholders and the investment community. The dedicated Group IR Team works with senior management to proactively carry out the IR engagement programme, which is described in more detail on page 80 of this Annual Report. The Company's IR Policy is available on the Company's website ([www.sbstransit.com.sg/uploads/investor\\_relations/SBST\\_Investor\\_Relations\\_Policy.pdf](http://www.sbstransit.com.sg/uploads/investor_relations/SBST_Investor_Relations_Policy.pdf)).

### 12.3 AVENUES FOR COMMUNICATION

The Company is committed to treat all shareholders fairly and equitably, and to engage with shareholders and the investment community through various platforms including (where appropriate):

- (i) The Company's general meetings, namely AGMs and as and when necessary, Extraordinary General Meetings;
- (ii) Media briefings and analysts' briefings;
- (iii) Announcements via SGXNET in compliance with the SGX-ST Listing Rules;
- (iv) Investors' meetings, roadshows and conferences;
- (v) Annual reports and sustainability reports;
- (vi) Media releases and statements; and
- (vii) Corporate website ([www.sbstransit.com.sg](http://www.sbstransit.com.sg)).

## 5. MANAGING STAKEHOLDERS RELATIONSHIPS

### PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company adopts an inclusive approach by balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Group are served.

### 13.1 IDENTIFICATION OF AND ENGAGEMENT WITH MATERIAL STAKEHOLDERS

The Company has arrangements in place to enable it to engage stakeholders so as to better understand and take action to address their needs and interests. Since the COVID-19 pandemic, the Company has been taking every opportunity to make use of digital means to communicate with shareholders. We were one of the first companies in Singapore to hold hybrid meetings for its shareholders, with real-time communication and real-time live voting.

### 13.2 MANAGEMENT OF STAKEHOLDER RELATIONSHIPS

The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found in the Group's Sustainability Report. Our Sustainability Report highlights the economic, environmental and social aspects of our developments and operations in accordance with the Global Reporting Initiative Guidelines (G4 Core) and complies with the relevant requirements under the SGX-ST Listing Manual, including Rules 711A and 711B. As part of the Company's sustainability efforts and to ensure more efficient engagement, the Company encourages all shareholders to give their express consent to receive communications to shareholders, including statutory notices for general meetings and other circulars, via email and digital platforms.

### 13.3 CORPORATE WEBSITE

The Company maintains a corporate website to communicate and engage with stakeholders ([www.sbstransit.com.sg](http://www.sbstransit.com.sg)).

## 6. ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE

The Company has also undertaken various additional measures to enhance corporate governance as follows:

### CORPORATE GIFTS / ENTERTAINMENT POLICY

Whilst business gifts and entertainment are courtesies that build goodwill and sound working relationships among business partners, the Group does not tolerate the improper use of gifts or entertainment to gain any special advantage in a business relationship.

The Group discourages the receipt of gifts or acceptance of entertainment, loans or other favours as these may compromise an employee's ability to make objective, independent and fair business decisions. Offering excessive gifts in whatever form or entertainment to others can also be open to misinterpretation.

Employees are therefore not permitted to offer or accept any gifts or entertainment without first seeking their supervisor's authorisation. Employees who receive gifts directly or indirectly in relation to their employment with the Group are expected to notify their supervisors and declare such gifts to the Group Human Resource Department. All gifts declared are processed through structured corporate procedures to ensure proper accountability.

Business gifts presented and entertainment on the Group's behalf are consistent with generally accepted corporate governance, business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country that the Group operates in or any company with which the Group has dealings.

### ANTI-CORRUPTION POLICY

The Group complies with all the applicable laws of the jurisdictions in which it operates and conducts business in an open and transparent manner, and prohibits employees from directly or indirectly offering, promising to pay, or authorising the payment of money or anything of value for the purpose of gaining perceived advantage for the Group. All employees are responsible for following the Group's procedures, including audit controls, for carrying out and reporting business transactions.

### BLOCK LEAVE POLICY

As a further risk mitigation measure and to enhance governance, the Group has a Block Leave Policy in place which applies to employees holding key functions. This arrangement allows covering officers to fully step into the duties of the employees on leave as an additional check and balance against any breaches.

### HEALTH AND SAFETY POLICY

Given the nature of the Group's businesses, the health and safety of the employees and customers are of paramount importance. Safety is, therefore, a perpetual top priority for the Group's operations. The Group complies with applicable statutory requirements and regulations in respect of health and safety, and has put in place procedures to guide proper safe work practices for the well-being of all employees and customers.

Following the issuance of the Workplace Safety and Health ("WSH") Approved Code of Practice relating to Chief Executives and Board of Directors and the Strategic Role of Directors of Holding Companies and Subsidiaries ("COP"), the Group reviewed its work procedures and processes to ensure that its safety policies, standards and practices comply with the Workplace Safety and Health Act 2006 and the COP. The Group's safety policies, standards and practices adhere to the core principles and measures set out in the COP.

Employees are sent for training to enhance their understanding and familiarity with effective WSH practices. They are required to adhere to safety regulations and implement safe work practices that apply to their jobs to ensure a safe work environment for everyone. They are also strongly encouraged to report any safety concerns to improve safety standards at the workplace.

# CORPORATE GOVERNANCE

## INFORMATION PROTECTION POLICY

The Group has also implemented an Information Protection Policy to ensure that all documents and data information of the Group are properly safeguarded.

Information is classified into secret, confidential/sensitive, restricted, internal use only and unrestricted/public use based on its nature, contents and implications. Processes and systems used to store, process or communicate the information provide protection against unauthorised disclosure and use.

## DATA PROTECTION POLICY

All business units are required to comply with applicable laws pertaining to data protection. In particular, the business units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act 2012, including the Do Not Call provisions that came into force in 2014.

## CYBERSECURITY POLICY

The Group has adopted the international Information Security Standard ISO 27001 in assessing and formulating the Group's cybersecurity framework. The Group regularly reviews its cybersecurity measures to ensure effective protection of our information technology systems and databases. The Group has implemented multi-layered defences, including firewalls, intrusion prevention system, network access control, server hardening, data encryption and employee security training. The Group keeps abreast of the evolving threats and the latest techniques, and actively collaborates with cybersecurity authorities and regulators to develop appropriate countermeasures.

## 7. INTERESTED PERSON TRANSACTIONS

### LISTING MANUAL – RULE 907

NAME OF INTERESTED PERSON	NATURE OF RELATIONSHIP	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS DURING THE FINANCIAL YEAR UNDER REVIEW (EXCLUDING TRANSACTIONS LESS THAN \$100,000 AND TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920)	AGGREGATE VALUE OF ALL INTERESTED PERSON TRANSACTIONS CONDUCTED UNDER SHAREHOLDERS' MANDATE PURSUANT TO RULE 920 (EXCLUDING TRANSACTIONS LESS THAN \$100,000)
ComfortDelGro Corporation Limited	ComfortDelGro is the majority shareholder of the Company	\$11,652,000	Nil
VICOM Ltd	VICOM is an associate of the Company	\$883,000	Nil

The aggregate value of the above transactions does not include the aggregate value of \$3.0 million from the renewal of Licence Agreement disclosed in the Introductory Document of the Company dated 3 December 1997. These transactions relate to leasing charges paid to ComfortDelGro for use of the premises.

There is no shareholders' mandate for interested person transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

The Group will continue to strengthen its capabilities in light of the way cybersecurity risks will evolve with the digital age. As and when necessary, the Group will take appropriate risk management decisions and implement security controls to secure its information infrastructure systems and databases.

## SUPPLIER ETHICS POLICY

The Group procures a wide range of goods and services from various businesses, companies, persons and entities and requires its suppliers to be in full compliance with all applicable laws and regulations and practises fair competition in accordance with local anti-trust and competition regulations. Suppliers must conduct their businesses with integrity, transparency and honesty and the Group does not condone any corrupt and fraudulent practice.

Suppliers must have in place health and safety policies for their employees and be committed to good environmental, social and governance practices. Suppliers must not trade in the securities of the Group while in possession of confidential non-public information.

## CREDITORS' PAYMENT POLICY

The Group values its suppliers and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers when entering into contracts. The Group negotiates with suppliers on an individual basis and meet its obligations accordingly.

# DIRECTORS' PARTICULARS

AS AT 1 MARCH 2024

NAME	AGE	PRESENT DIRECTORSHIPS /CHAIRMANSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>BOB TAN BENG HAI</b> Chairman (Independent Non-Executive Director)	72	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.  <b>Other Companies</b> (1) Singapore Post Limited* (2) CapitaLand Ascott Trust Management Limited^ (3) CapitaLand Ascott Business Trust Management Pte. Ltd.^ (4) Jurong Engineering Limited	(1) Sembcorp Marine Ltd (2) SINGEX Holdings Pte Ltd (3) Singapore LNG Corporation Pte Ltd (4) Bedrock Trust Pte. Ltd. (5) Ong Teng Cheong Labour Leadership Institute	(1) SBS Transit Ltd* (Chairman) (2) Singapore Post Limited* (Director) (3) CapitaLand Ascott Trust Management Limited^ (Chairman) (4) CapitaLand Ascott Business Trust Management Pte. Ltd.^ (Chairman) (5) Jurong Engineering Limited (Chairman) (6) Sentosa Development Corporation (Chairman)	NIL

\* Listed Company

^ CapitaLand Ascott Trust Management Limited is the manager of CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT). CapitaLand Ascott Business Trust Management Pte. Ltd. is the trustee-manager of CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CapitaLand Ascott Trust is a stapled group listed on the SGX-ST Mainboard comprising CapitaLand Ascott REIT and CapitaLand Ascott BT.

# DIRECTORS' PARTICULARS AS AT 1 MARCH 2024

NAME	AGE	PRESENT DIRECTORSHIPS /CHAIRMANSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>CHENG SIAK KIAN</b> Deputy Chairman (Non-Independent Non-Executive Director)	54	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte Ltd  <b>Principal Directorships in the ComfortDelGro Group</b> (1) ComfortDelGro Corporation Limited* (2) Comfort Transportation Pte Ltd (3) CityCab Pte Ltd (4) ComfortDelGro Engineering Pte Ltd (5) ComfortDelGro (China) Pte. Ltd. (6) ComfortDelGro Corporation Australia Pty Ltd (7) Braddell Limited (8) Metroline Limited (9) CityFleet Networks Limited  <b>Principal Directorships in the VICOM Group</b> (1) VICOM Ltd* (2) Setsco Services Pte Ltd (3) JIC Inspection Services Pte Ltd (4) VICOM Inspection Services Pte Ltd	(1) CDC Travel Pty Ltd (2) Hillsbus Co Pty Ltd (3) Hunter Valley Buses Pty Ltd (4) Westbus Region 1 Pty Ltd (5) CDC NSW Pty Ltd (6) CDC Victoria Pty Ltd (7) CDC Geelong Pty Ltd (8) CDC Sunshine Pty Ltd (9) CDC Oakleigh Pty Ltd (10) CDC Altona Pty Ltd (11) CDC Wyndham Pty Ltd (12) CDC Ballarat Pty Ltd (13) Baypalm Pty Limited (14) Qcity Transit Pty Ltd (15) CDC Eastrans Pty Ltd (16) Western Sydney Repair Centre Pty Ltd (17) Blue Mountains Transit Pty Ltd (18) National Patient Transport Pty Ltd (19) National Patient Transport NSW Pty Ltd (20) National Patient Transport QLD Pty Ltd (21) National Patient Transport WA Pty Ltd (22) National Patient Transport SA Pty Ltd (23) NPT Heart Pty Ltd (24) Platinum Healthcare Pty Ltd (25) National Patient Transport VIC Pty Ltd (26) CDC Tullamarine Pty Ltd (27) Terrey Hills Depot Holdings Pty Limited (28) FCL Holdings Pty Limited (29) FCL Finance Pty Limited (30) Forest Coach Lines Pty Limited (31) Buslink Pty Ltd (32) Buslink Southern Pty Ltd (33) Buslink Gladstone Pty Ltd (34) Buslink Sunshine Coast Pty Ltd (35) Buslink Broken Hill Pty Ltd (36) Buslink Sunraysia Pty Ltd (37) Tropic Sun Pty Ltd (38) Buslink NT Pty Ltd (39) Buslink Alice Spring Pty Ltd (40) CDC Commercial Bus Company Pty Ltd (41) ComfortDelGro Swan Pty Ltd (42) Swan Taxi Pty Ltd (43) SBS Transit Mobility Pte. Ltd.	(1) ComfortDelGro Corporation Limited* (Managing Director & Group Chief Executive Officer)	(1) SBS Transit Ltd* (Chief Executive Officer and concurrently in 2022, ComfortDelGro Corporation Limited* Group Deputy Chief Executive Officer) (2) ComfortDelGro Corporation Australia Pty Ltd (NSW) (Chief Executive Officer)

\* Listed Company



NAME	AGE	PRESENT DIRECTORSHIPS /CHAIRMANSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>JEFFREY SIM VEE MING</b> Group Chief Executive Officer (Non-Independent Executive Director)	47	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd. (3) SBS Transit Mobility Pte. Ltd.  <b>Directorships in the ComfortDelGro Group</b> (1) Auckland One Rail Limited (2) Connecting Stockholm AB	NIL	(1) SBS Transit Ltd* (Director and Group CEO) (2) SBS Transit Rail Pte. Ltd. (Chief Executive Officer)	<b>SBS Transit Group</b> (1) Acting Head of Rail (2) Head of NEL/SPLRT (3) Head of Rail Development (4) Head of NEL/SPLRT Engineering (5) Head of NEL/SPLRT Rolling Stock
<b>LIM TIEN HOCK</b> Chief Executive Officer, Bus Business (Non-Independent Executive Director)	53	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.	(1) CityCab Pte Ltd (2) Comfort Transportation Pte Ltd (3) ComfortDelGro Driving Centre Pte. Ltd. (4) ComfortDelGro Medicare Pte Ltd (5) Ming Chuan Transportation Pte. Ltd (6) Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd	(1) SBS Transit Ltd* (Chief Executive Officer, Bus Business)	(1) ComfortDelGro Corporation Limited (Senior Vice-President, Group Human Resource) (2) ComfortDelGro Driving Centre Pte Ltd (Chief Executive Officer) (3) ComfortDelGro Medicare Pte. Ltd. (Chief Executive Officer)
<b>DESMOND CHOO PEY CHING</b> (Independent Non-Executive Director)	46	(1) SBS Transit Ltd* (2) Surbana Jurong Pte Ltd (3) Singapore Economic Development Board	Nil	(1) Singapore Economic Development Board (Board Member) (2) People's Association (Mayor, North East District) (3) National Trades Union Congress (Assistant Secretary-General) (4) Tampines Town Council (Vice Chairman)	NIL
<b>CHUA MUI HOONG</b> (Independent Non-Executive Director)	55	(1) SBS Transit Ltd*	(1) Agri-Food and Veterinary Authority of Singapore	(1) SPH Media Trust (Company Limited by Guarantee) (Senior Columnist of The Straits Times)	Nil

\* Listed Company

# DIRECTORS' PARTICULARS AS AT 1 MARCH 2024

NAME	AGE	PRESENT DIRECTORSHIPS /CHAIRMANSHIPS	PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
<b>PATRICK DANIEL</b> (Independent Non-Executive Director)	69	(1) SBS Transit Ltd*  <b>Other Companies</b> (1) Imperial Gloucester Pte Ltd Limited (2) Verdant.sg Pte. Ltd. (3) Vibranium Capital Pte Ltd (4) AlphaInvest Holdings Pte Ltd (formerly ShareInvestor.com Holdings Pte Ltd) (5) Stewardship Asia Centre CLG Limited (6) Singapore Press Club Ltd. (7) SPH Media Trust (8) SPH Media Holdings Pte Ltd (9) SPH Foundation Limited (10) Da Zhong Tankers (Pte) Ltd (11) Nan Chuan Maritime (Pte.) Ltd. (12) Xin Hui Shipping (Pte) Ltd (13) Xin Ying Shpping (Pte) Ltd	(1) Sembcorp Marine Ltd* (2) XiHe Holdings Pte Ltd (3) XiHe Capital Pte Ltd (4) Equal-Ark Singapore Ltd (5) MKC Holdings (Pte) Ltd (6) Singapore University of Technology and Design (7) SPH Jurong Property Pte Ltd (8) SPH Toa Payoh Property Pte Ltd (9) Straits Magazines Pte Ltd (10) Straits Pacom Pte Ltd (11) TP Ventures Pte Ltd (12) Spread Analytics Pte Ltd (13) SPH Media Ltd	Nil	(1) SPH Media Trust (Interim CEO) – (2021 to 2022)
<b>SUSAN KONG YIM PUI</b> (Non-Independent Non-Executive Director)	63	(1) SBS Transit Ltd* (2) ComfortDelGro Corporation Limited* (3) HealthServe Limited (4) Singapore Tyler Print Institute (5) Q.E.D. Law Corporation	Nil	(1) Q.E.D. Law Corporation (Managing Director)	NIL
<b>LEE SOK KOON</b> (Independent Non-Executive Director)	70	(1) SBS Transit Ltd* (2) Japan Foods Holding Ltd* (3) Lum Chang Holdings Ltd* (4) Mooreast Holdings Ltd* (5) NUS America Foundation, Inc.	(1) Singapore Arts School Ltd	NIL	NIL

\* Listed Company

<b>NAME</b>	<b>AGE</b>	<b>PRESENT DIRECTORSHIPS /CHAIRMANSHIPS</b>	<b>PAST DIRECTORSHIPS HELD OVER THE PRECEDING FIVE YEARS</b>	<b>PRESENT PRINCIPAL COMMITMENTS</b>	<b>PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS</b>
<b>LIM SEH CHUN</b> (Independent Non-Executive Director)	69	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.  <b>Other Companies</b> (1) Singapore School of Science and Technology	NIL	(1) Singapore University of Technology and Design (SUTD) (Advisor, Special Projects, Office of Provost)	NIL
<b>CHRISTINA LIM YUI HUNG</b> (Independent Non-Executive Director)	55	<b>Directorships in the SBS Transit Group</b> (1) SBS Transit Ltd* (2) SBS Transit Rail Pte. Ltd.	NIL	(1) National University of Singapore (Associate Professor & Deputy Head (Outreach), Dept. of Mechanical Engineering)	NIL
<b>TAN KIM SIEW</b> (Independent Non-Executive Director)	70	(1) SBS Transit Ltd* (2) VICOM Ltd*	NIL	NIL	NIL
<b>EDWIN YEO TENG CHUAN</b> (Independent Non-Executive Director)	55	(1) SBS Transit Ltd* (2) Kainos Innovation	NIL	NIL	(1) Quantum Corporation* (Area Vice President, APAC) (2) Symantec Asia Pacific Pte Ltd (Corporate Vice President, APAC)
<b>YU CHING MAN</b> (Independent Non-Executive Director)	58	(1) SBS Transit Ltd* (2) E-Mobility Technology Limited	NIL	(1) Khalifa University, Abu Dhabi, United Arab Emirates (Professor and Departmental Chair, Department of Aerospace Engineering)	(1) Singapore Institute of Technology (Professor and Programme Director in Sustainable Infrastructure Engineering (Land Transport) and Sustainable Infrastructure Engineering (Building Services)) (2) Professor in the Department of Aviation Aeronautical Engineering at the Hong Kong Polytechnic University

\* Listed Company

# INVESTOR RELATIONS

We are committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. Our Investor Relations (IR) programme balances regular, effective and fair communications with Shareholders and the investment community with the need to safeguard commercial sensitivities. The IR team works closely with Senior Management to proactively carry out this engagement programme. Feedback and views gathered are regularly reported to Senior Management and the Board of Directors.

## PROACTIVE COMMUNICATIONS

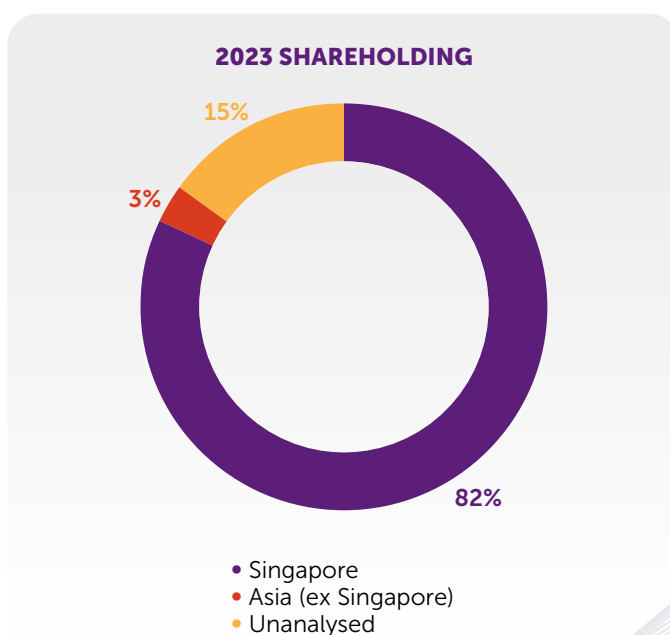
During the year, the IR team addressed queries from investors through emails, telephone calls and the online enquiry form.

Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore Exchange.

All material announcements are posted in the IR section of the corporate website to ensure equal and timely access to information.

## SINGAPORE-CENTRIC SHAREHOLDER BASE

Our shareholder base consists mainly of institutional and retail investors based in Singapore and Asia with ComfortDelGro Corporation holding a majority stake.



# RISK MANAGEMENT

**SBS Transit's Risk Management Framework provides a systematic process for the Businesses to identify and review the nature and complexity of the risks involved in their business operations and to prioritise resources to manage them. The Group is committed to enhance shareholder value through growth that is sustainable and profitable, while taking measured and well-considered risks.**

The Group's approach to risk management is underpinned by several key principles:

- The risk management process is a continuous and iterative one, as the Group's businesses and operating environments are dynamic. Risk identification, assessment and risk management practices are reviewed and updated regularly to manage risks proactively.
- We promote and inculcate risk awareness among all our employees by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular exercises, continuous education and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed and risk-aware culture in the Group.
- Ownership of and accountability for the risk management process is clearly defined and assigned to the risk owners. Managers at each level have intimate knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management.

While the Covid-19 pandemic has abated, our business operations are still impacted by Geopolitical risks, resulting in inflationary pressures, including higher energy prices.

In 2023, we reviewed our Enterprise Risk Register, conducted risk prioritization workshop, identified key and emerging risks, and developed the requisite risk controls and risk treatment action plans. One of our key risks was associated with manpower. The labour market, though tight in some quarters, is showing signs of recovery amid weaker economic conditions; however, the recruitment of Bus Captains remains a challenge.

We are enhancing the remuneration package to attract more locals to join the profession and to keep attrition low. Apart from monetary rewards, we are introducing greater flexibility in working arrangements, ranging from part-time to 4/5/6 day work pattern. We have also launched an app-based Employee Assistance Programme, as well as worked with NTUC to introduce UPlay, which is a phygital (physical and digital) suite of social and recreational offerings, to better support their mental and physical wellness.

In recognition of our robust risk and sustainability management framework and stakeholder communications, SBS Transit received four awards from Ms Grace Fu, Minister for Sustainability and the Environment at the SIAS Investors' Choice Awards 2023 Presentation Ceremony held on 8 November 2023. The four awards are:

- a. Singapore Corporate Governance Award
- b. Singapore Corporate Sustainability Award
- c. Shareholder Communications Excellence Award
- d. Most Transparent Company Award

The SBS Transit Risk Steering Committee (RSC) at the Group level works closely with all Businesses to ensure that risk management is taken seriously, and that the Risk Management Framework is diligently implemented across the group. The Group CEO chairs the RSC, and members are drawn from major Businesses/Departments Heads. Key risks for the Group are identified and presented to the Audit and Risk Committee and the Board half-yearly. The key risks faced by the Group, the relevant mitigating factors and how they are managed are set out in the paragraphs below.

## FINANCIAL RISKS

The group has established internal control systems to safeguard its assets and regularly reviews the effectiveness of these controls to improve and fortify financial discipline. All policies and procedures on financial matters, including approval limits and authority, are clearly defined in the Group's Financial Procedures Manual.



# RISK MANAGEMENT

## FINANCIAL AUTHORITY LIMITS

Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, bus/rail tenders, and disposal and write-off of assets. These authority limits are delegated based on the organisational hierarchy from the Board down to the Group CEO and the Heads of Business/ Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval. To ensure that the Group's assets continue to be managed prudently, the Board periodically reviews the mandate that it delegates to Management.

## BUDGETARY CONTROL

A robust and comprehensive Annual Budget is prepared and approved by the Board prior to the commencement of each financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis. The capital expenditure budget is approved in-principle by the Board as part of the Annual Budget. Each capital expenditure is subjected to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Specific approvals must be sought for unbudgeted expenditures. Tight control on manpower is exercised through the headcount budget.

## ECONOMIC CYCLE

Changes in economic conditions may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We also monitor demand trends, cost structures and operating margins closely. Expenses are managed in the light of revenue patterns and changing market conditions. Where possible, revenue risks are mitigated by diversifying revenue streams to non-fare sources. A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements.

## OPERATIONAL RISKS

Operational risks may arise from failures in internal controls, operational processes or the supporting systems. The Group has put in place operating manuals, standard operating procedures, authority guidelines and a rigorous reporting framework to manage these risks.

## SAFETY AND SECURITY

Managing the safety and security of our customers, tenants, staff and the public is the cornerstone of the Group's safety and security policy. We run safety awareness and training programmes to instil a safety and security conscious culture in our employees at all levels. Safety and security audits are conducted regularly to ensure that standards are maintained. The Group works closely with the relevant Authorities to ensure that the security of our bus and train services and facilities are not compromised. Drills and exercises are conducted regularly, both internally and jointly with external agencies. Besides patrolling guards, fence intrusion detection systems and other security features are installed at all our operating facilities. Members of the public, staff and tenants are encouraged to look out for suspicious objects or persons.

## ENVIRONMENTAL

The Group is committed to being a socially responsible organisation through minimising the impact our business activities have on the environment. Our operations, accidents and natural events can result in pollution or other environmental risks. To limit these risks, we engage in active environmental risk management, ensuring that we target the problems that could arise and that preventive measures are put in place. We comply with all relevant regulations. Ways in which the Group works to protect the environment can be found in our Sustainability Report.

## MANPOWER

The Group's ability to develop and grow the business depends on the quality of its employees, and we are committed to invest in building its resource pool.

We have in place various programmes and processes that focus on several key areas, including talent management, building management bench strength, succession planning, performance management, compensation and benefits, training and development and employee conduct and supervision. We ensure that our employees are selected and promoted based on merit, they understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. We ensure that all policies, processes, terms and conditions of employment, including those relating to foreign labour force, are in compliance with the relevant regulations.

## PROPERTY AND LIABILITY

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with our sister company, ComfortDelGro Insurance Brokers Pte Ltd. Together with external risk management consultants, we ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are retained internally and risks that are placed out with underwriters.

## BUSINESS CONTINUITY

We have put in place Business Continuity Plans (BCPs) to mitigate the risks of disruption and catastrophic loss to our operations, people, information databases and other assets. Such risks can arise from adverse natural events like flooding, or from pandemic outbreaks. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business functions, protection of our employees and customers, and recovery of information databases. We update and test the BCPs regularly. Drills and emergency response exercises are conducted to familiarise employees with the various incident management plans. The BCPs enhance the Group's operational readiness and resilience to potential business disruptions.

## INFORMATION AND OPERATIONAL TECHNOLOGY RISKS

Information and operational technology system failures and cyber risks are key risks for the Group since almost all the businesses rely heavily on technology. In particular, the operational technology systems of our Rail Business have been designated as Critical Information Infrastructure (CII), cyber security is of critical importance here. This can take the form of major system failures which can result in disruption of the business or a security breach of our information technology systems. Cyber security is about protecting information systems and data from unauthorised access, use, disclosure, disruption, modification or destruction. Our security management framework complies with the latest industry standards. We have put in place various types of controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and Cyber threats. Penetration tests are carried out regularly to test the systems, identify potential vulnerabilities and to strengthen the security hardening of our websites. Information security policies and procedures, including education for all staff, are reviewed and enhanced regularly.

## COMPLIANCE RISKS

The Group keeps abreast and complies with all laws and regulations governing the conduct of business in Singapore. These regulations include pricing, service standards, licences to operate and transport policies, which are stipulated by the relevant regulatory Authorities. We work closely with the Land Transport Authority, as part of our risk management process to keep abreast of developments and policies that may affect our businesses and the competitive landscape. We manage our operations effectively to ensure that standards are met, thereby reducing significantly the risk of penalty.

## STRATEGIC RISKS

We continually review our business strategy to ensure that we remain a relevant and significant player in the public transport market by participating in competitive public transportation tenders. SBS Transit's strategic risks include (1) competition – how we can/must defend and/or win public transport tenders, and (2) government contract risk – how we build resilience by pro-actively engaging the authorities to realise objectives articulated in the Land Transport Master Plan 2040.

## FRAUD

The Group prioritises proactive fraud prevention through comprehensive internal controls and audits, ensuring compliance and transparency. Vigilant risk awareness and ethical conduct are ingrained in our culture, securing our future through unwavering vigilance and integrity.

Our key deterrent and mitigation actions include:

- **Commitment, Oversight, and Tone from Top:**

The Management sets the tone from the top in promoting ethical culture and having zero tolerance to fraud. Our employees are required to declare any conflicts of interest annually. They undergo frequent training pertaining to Anti-corruption, Anti-bribery, Ethics and Competition Law. To ensure our supply chain partners maintain the same level of rigour we set internally, our suppliers are required to comply with our Supplier Code of Conduct.

- **Whistle Blowing Policy:**

The Group has an established Whistle Blowing Policy that provided a whistleblowing alert line that empowers our employees to report any misconduct or fraud directly to the Chairman of ARC and/or the Group Chief Internal Audit Officer. Employees are given a Company e-handbook detailing how they can go about raising their concerns. The ARC provides independent oversight on the investigations conducted by Group Internal Audit. Reported incidents will be dealt with promptly and thoroughly.

- **Proactive Risk Identification and Mitigation:**

Our commitment in preventing and detecting fraud extends beyond robust internal controls, including checks and balances and multi-step approvals. We leverage our comprehensive Minimum Acceptable Controls Questionnaire (MACQ) to establish consistent baseline controls across the Group, enhancing the effectiveness of our finance and business processes.

## AUDIT PROCESS

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. A risk-based approach has been adopted in developing the annual internal audit plan, and in identifying the auditable universe of the Group. In the course of their audits, the Internal and External Auditors will highlight to the Management and the ARC the areas where there are material deficiencies, non-compliance, weaknesses or where there are occurrences or potential occurrence of significant risk events. The auditors will also propose mitigating measures and treatment plans. The audit recommendations are followed up as part of the Group's continuous review of its system of internal controls, and the implementation status is reported to the ARC.

The Group Internal Audit is independent of the activities it audits, and has unfettered access to the ARC, the Board and the Management. In line with best practices, Group Internal Audit has a Quality Assurance Programme that covers all aspects of its audit activities and conforms to international standards of auditing. During the year, the Group engaged Protiviti Pte Ltd to conduct a Quality Assurance Review of the Group's Internal Audit function. The Group Internal Audit continues to meet or exceed the IIA Standards in all key aspects. The Quality Assurance Review is conducted every 5 years.

# FINANCIAL CALENDAR

## 2023

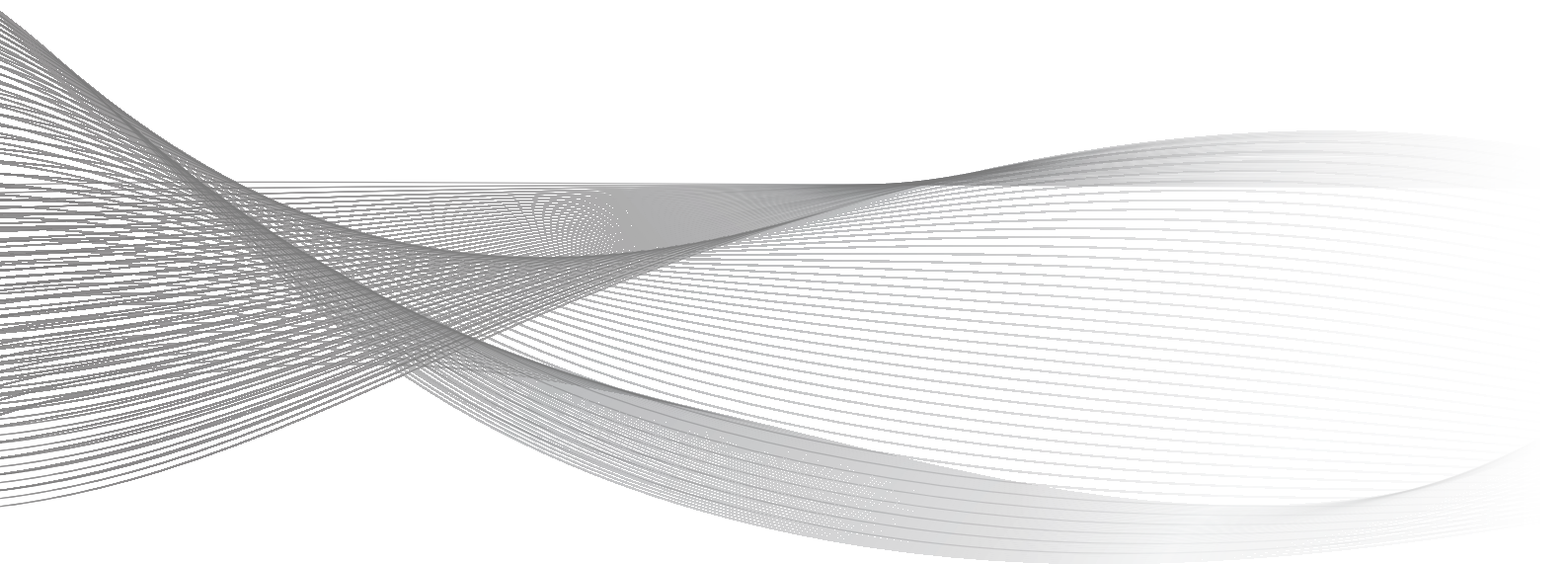
<b>Announcement of 2022 Full Year Results</b>	22 February 2023
<b>Annual General Meeting</b>	27 April 2023
<b>Payment of 2022 Final Dividend (5.45 cents/share)</b>	16 May 2023
<b>Announcement of 2023 Half Year Results</b>	14 August 2023
<b>Payment of 2023 Interim Dividend (5.58 cents/share)</b>	30 August 2023

## 2024

<b>Announcement of 2023 Full Year Results</b>	27 February 2024
<b>Annual General Meeting</b>	25 April 2024
<b>Payment of 2023 Final Dividend (5.58 cents/share)</b> <i>(Subject to Shareholders' approval at the forthcoming Annual General Meeting)</i>	14 May 2024
<b>Announcement of 2024 Half Year Results</b>	13 August 2024*

\* Provisional – Updates will be posted on [www.sbstransit.com.sg](http://www.sbstransit.com.sg)





## CONTENTS

86	Directors' Statement
90	Independent Auditor's Report
94	Statements of Financial Position
95	Group Income Statement
96	Group Comprehensive Income Statement
97	Statements of Changes in Equity
99	Group Cash Flow Statement
100	Notes to the Financial Statements

# DIRECTORS' STATEMENT

The Directors present their annual statement together with the audited Consolidated Financial Statements of the Group and Statement of Financial Position and Statement of Changes in Equity of the Company for the financial year ended 31 December 2023.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 94 to 134 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

## 1. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Tan Beng Hai	(Chairman)
Cheng Siak Kian	(Deputy Chairman)
Sim Vee Ming	(Group Chief Executive Officer)
Desmond Choo Pey Ching	
Chua Mui Hoong	
Patrick Daniel	(Appointed on 1 January 2024)
Susan Kong Yim Pui	
Lee Sok Koon	
Lim Seh Chun	
Lim Tien Hock	
Christina Lim Yui Hung	(Appointed on 1 October 2023)
Tan Kim Siew	
Yeo Teng Chuan, Edwin	(Appointed on 1 January 2024)
Yu Ching Man	

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

# DIRECTORS' STATEMENT

## 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967 except as follows:

### Interest in the Company

(a) Ordinary shares

	Shareholdings registered in the name of Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	–	7,500	7,500
Sim Vee Ming	–	6,250	6,250

(b) Unvested performance share awards under the SBS Executive Share Scheme

	Number of unvested share held by Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	30,000	102,500	102,500
Sim Vee Ming	25,000	68,750	68,750
Lim Tien Hock	–	35,000	35,000

### Interest in ultimate holding company, ComfortDelGro Corporation Limited

(a) Ordinary shares

	Shareholdings registered in the name of Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	37,500	78,750	78,750
Sim Vee Ming	28,750	41,250	41,250
Lim Tien Hock	91,000	118,500	118,500

(b) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme

	Number of unvested share held by Directors		
	At 1 January 2023	At 31 December 2023	At 21 January 2024
Cheng Siak Kian	127,500	236,250	236,250
Sim Vee Ming	26,250	33,750	33,750
Lim Tien Hock	80,000	92,500	92,500

# DIRECTORS' STATEMENT

## 4. SHARE AWARDS AND SHARE OPTIONS

- (a) The Company obtained Shareholders' approval at its Annual General Meeting held on 29 April 2021 to implement the SBS Executive Share Scheme ("SBS ESS") for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group. The SBS ESS is administered by Nominating and Remuneration Committee (the "Committee") comprising Mr Tan Beng Hai (Chairman), Mr Cheng Siak Kian, Mr Desmond Choo Pey Ching, Ms Susan Kong Yim Pui, Professor Lim Seh Chun and Dr Tan Kim Siew.
- (b) Under the SBS ESS, the shares are granted conditional upon performance targets met and have a vesting schedule whereby only a portion of the benefits would be granted each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.
- (c) The Board and the Committee believe that the SBS ESS will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.
- (d) During the financial year, the Company granted the second tranche of share awards of 567,000 (2022: 411,000) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 80,000 (2022: 30,000) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian, 50,000 (2022: 25,000) ordinary shares to Group Chief Executive Officer, Mr Sim Vee Ming and 35,000 (2022: Nil) ordinary shares to Director, Mr Lim Tien Hock. These are time-based awards to be vested over a 4-year period.
- (e) No participants to the SBS ESS are controlling shareholders of the Company and their associates.
- (f) Since the adoption of the SBS ESS, a total of 978,000 (2022: 411,000) share awards were granted. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year is as follows:

Date of grant	Number of share awards				At 31 December 2023
	At 1 January 2023	Granted	Vested	Lapsed	
12 July 2022	403,500	–	(100,875)	–	302,625
8 May 2023	–	567,000	–	–	567,000
	403,500	567,000	(100,875)	–	869,625

- (g) Details of the share awards to Directors since the commencement of the SBS ESS were as follows:

Director	Aggregate share awards granted since the commencement to 31 December 2023	Aggregate share awards vested since the commencement to 31 December 2023	Aggregate share awards outstanding at 31 December 2023
Cheng Siak Kian	110,000	7,500	102,500
Sim Vee Ming	75,000	6,250	68,750
Lim Tien Hock	35,000	–	35,000

- (h) During the financial year, no options to take up unissued shares of the Company were granted. There were also no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

At the end of the financial year, there were no unissued shares of the Company under options.

# DIRECTORS' STATEMENT

## 5. AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:

Lee Sok Koon (Chairman)  
Susan Kong Yim Pui  
Tan Kim Siew  
Yeo Teng Chuan, Edwin (Appointed on 1 January 2024)

The Audit and Risk Committee carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act 1967 and the Code of Corporate Governance 2018.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors four times and two times respectively during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Ernst & Young LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

The Audit and Risk Committee has full access to and has the co-operation of Management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit and Risk Committee.

In addition, the Audit and Risk Committee reviewed the Financial Statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

## 6. AUDITORS

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

ON BEHALF OF THE BOARD OF DIRECTORS

Tan Beng Hai  
Chairman

Sim Vee Ming  
Group Chief Executive Office

Singapore  
27 February 2024

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Financial Statements of SBS Transit Ltd (the "Company") and its subsidiaries (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2023, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and the Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including material accounting policy information, as set out on pages 94 to 134.

In our opinion, the accompanying Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### Basis for opinion

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the Financial Statements.

(a) Provision for rail contract and recoverability of debt and equity investments in a subsidiary

As disclosed in Note 31 to the Financial Statements, pursuant to the framework agreement under the New Rail Financing Framework Version 2 ("NRFF (Version 2)") between the Group and the Land Transport Authority of Singapore ("LTA"), the Company's wholly-owned subsidiary, SBS Transit Rail Pte. Ltd. ("SBST Rail" or the "subsidiary"), has been issued a Consolidated Rail Licence to operate the Downtown Line ("DTL"), North East Line ("NEL"), and Sengkang Punggol Light Rail Transit System ("SPLRT") for a period of 11 years commencing 1 January 2022, and ending on 31 December 2032 (the "Consolidated Rail Licence" or "Rail contract").

Management is required to assess whether a provision for onerous contract in respect to SBST Rail's obligations under the Consolidated Rail Licence are required, and the recoverability of the Company's related equity and debt investments in SBST Rail, which are disclosed in Notes 8 and 6 to the Financial Statements.

As disclosed in Note 3 to the Financial Statements, these assessments involve projections of SBST Rail's future operating and financial performance under the Consolidated Rail Licence prepared based on key assumptions and estimates including but not limited to ridership growth, fare adjustments, availability of grants from the Authorities and operating costs, after taking into consideration the current ridership patterns, fare adjustments, key operating cost drivers and the relevant risk factors. Additionally, the assessment of the recoverability of the Company's equity and debt investments in SBST Rail involves Management making projections about the future operating and financial performance of SBST Rail during and beyond the current Consolidated Rail Licence period and applying an appropriate market-based discount rate. These assumptions and estimates involved significant Management judgement and estimation uncertainty. Accordingly, we have considered this to be a key audit matter.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### Key audit matters (cont'd)

#### (a) Provision for rail contract and recoverability of debt and equity investments in a subsidiary (cont'd)

As part of our audit, we:

- reviewed the framework agreement under the NRFF (Version 2) and relevant key correspondences between the Authorities and the Group to understand the key terms of the Consolidated Rail Licence;
- reviewed Management's process of determining whether a provision for the Rail contract is required, identifying impairment indicators, and assessing SBST Rail's financial ability to repay amounts due to the Company;
- obtained the operating and financial projections and discounted cash flow workings which were prepared based on financial and operating budgets approved by Management and evaluated the appropriateness of the valuation methodology applied;
- discussed with Management to understand and identify the areas of significant judgement and key drivers in their projection of the future operating and financial performance of the DTL, NEL and SPLRT;
- assessed the reasonableness of the key assumptions and inputs used by Management to project the future operating and financial performance of the DTL, NEL and SPLRT both up to the end of and beyond the Licence period by reviewing historical trends, past budget variances, corroborative information on ridership projection, projected future fare adjustments, availability of grants from the Authorities, and relevant external information;
- tested the appropriateness of the growth rates and discount rate applied in the discounted cash flow computation used to estimate the recoverable amount of the Company's equity and debt investments in SBST Rail with the assistance of our internal valuation specialist by corroborating with our understanding of SBST Rail's business plans, the relevant public transport industry, available internal operating and financial information and relevant market data; and
- performed sensitivity analysis for certain key assumptions for alternative reasonably possible scenarios and their impact to Management's assessment of provisions for rail contract and the recoverability of the Company's equity and debt investments in SBST Rail.

We have also reviewed the adequacy of the related disclosures made in Notes 3 and 31 to the Financial Statements.

#### (b) Recognition and measurement of provision for accident claims

The Group recognises provision for accident claims arising from its transportation business when it has a present obligation (legal or constructive) that would result in an expected settlement that can be reliably estimated. The carrying amount of the provision for accident claims are disclosed in Note 16 to the Financial Statements.

Management exercises significant judgements in determining the estimated amounts required to settle the obligations, which is inherently uncertain in both timing and amounts. Management considers the probability and amount of the expected settlement claims based on current available information such as claims history and payment trends. The key assumptions and estimates used by Management are disclosed in Note 3 to the Financial Statements.

Given the significant Management judgement and estimation uncertainty involved, we have considered this to be a key audit matter.

As part of our audit, we

- reviewed Management's process of identifying accident claims that meet the recognition criteria and obtained Management's computation, assumptions and estimates used for the measurement of the provision;
- evaluated the reasonableness of key assumptions and estimates used by Management to measure the provision, including reviewing the number of claims lodged, current and historical accident claims and settlement data; and
- reviewed the adequacy and overall reasonableness of the provision by understanding reasons for any significant variances and corroborating them with publicly available information and the list of accident reports subsequent to year end.

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### Key audit matters (cont'd)

#### (b) Recognition and measurement of provision for accident claims (cont'd)

We also reviewed the adequacy of the disclosures in relation to the Group's provision for accident claims provided in the Financial Statements.

### Other matter

The Financial Statements of the Group and Company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 22 February 2023.

### Other information included in the 2023 Annual Report

Management is responsible for the other information. Other information consists of the information included in the Group's 2023 Annual Report other than the Financial Statements and our auditor's report thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Directors' Statement prior to the date of our auditor's report, and we expect to obtain the remaining other information included in the Annual Report after the date of our auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Directors for the Financial Statements

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

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

The Directors' responsibilities include overseeing the Group's financial reporting process.

### Auditor's responsibilities for the audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF SBS TRANSIT LTD

### Auditor's responsibilities for the audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Wong Yew Chung.

### Ernst & Young LLP

Public Accountants and  
Chartered Accountants

Singapore  
27 February 2024

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group			Company		
		31 December 2023 \$'000	31 December 2022 \$'000 (Restated)	1 January 2022 \$'000 (Restated)	31 December 2023 \$'000	31 December 2022 \$'000 (Restated)	1 January 2022 \$'000 (Restated)
<b>ASSETS</b>							
<b>Current assets</b>							
Short-term deposits and bank balances	5	371,965	345,304	204,034	368,892	342,498	201,974
Trade and other receivables	6	304,478	261,132	253,372	211,403	184,930	490,545
Inventories	7	119,876	102,649	101,482	25,019	16,290	73,340
<b>Total current assets</b>		<b>796,319</b>	<b>709,085</b>	<b>558,888</b>	<b>605,314</b>	<b>543,718</b>	<b>765,859</b>
<b>Non-current assets</b>							
Subsidiaries	8	–	–	–	100,002	100,002	100,000
Prepayments	9	1,476	492	4,605	35	248	4,538
Due from subsidiaries	6	–	–	–	347,292	350,565	–
Net investment on sublease		–	–	28	–	–	28
Vehicles, premises and equipment	10	353,546	480,867	563,200	314,594	435,048	537,610
Deferred tax assets	11	20,855	20,750	27,065	–	–	–
<b>Total non-current assets</b>		<b>375,877</b>	<b>502,109</b>	<b>594,898</b>	<b>761,923</b>	<b>885,863</b>	<b>642,176</b>
<b>Total assets</b>		<b>1,172,196</b>	<b>1,211,194</b>	<b>1,153,786</b>	<b>1,367,237</b>	<b>1,429,581</b>	<b>1,408,035</b>
<b>LIABILITIES AND EQUITY</b>							
<b>Current liabilities</b>							
Lease liabilities	12	10,523	11,116	11,131	10,523	11,116	11,131
Trade and other payables	13	333,920	333,800	298,567	209,545	236,807	240,620
Deposits received	14	4,046	4,655	3,766	1,450	2,593	2,657
Provisions	16	16,079	16,465	16,075	14,674	13,213	16,075
Fuel price equalisation account		19,442	19,992	19,992	19,442	19,992	19,992
Income tax payable		28,293	36,259	33,879	28,275	36,259	33,879
<b>Total current liabilities</b>		<b>412,303</b>	<b>422,287</b>	<b>383,410</b>	<b>283,909</b>	<b>319,980</b>	<b>324,354</b>
<b>Non-current liabilities</b>							
Lease liabilities	12	8,787	68,005	80,481	8,787	68,005	80,481
Deferred grants	15	4,064	4,349	4,772	3,966	4,104	4,772
Deposits received	14	7,367	6,862	7,284	2,960	1,905	5,475
Deferred tax liabilities	11	22,424	26,621	42,589	22,424	26,621	42,589
Provisions	16	15,725	16,757	11,663	11,624	13,649	11,081
Fuel price equalisation account		19,442	19,992	19,992	19,442	18,892	19,992
<b>Total non-current liabilities</b>		<b>77,809</b>	<b>142,586</b>	<b>166,781</b>	<b>69,203</b>	<b>133,176</b>	<b>164,390</b>
<b>Total liabilities</b>		<b>490,112</b>	<b>564,873</b>	<b>550,191</b>	<b>353,112</b>	<b>453,156</b>	<b>488,744</b>
<b>Capital and reserves</b>							
Share capital	17	100,783	100,499	100,499	100,783	100,499	100,499
Other reserves	18	40,861	40,072	40,749	41,283	40,444	40,501
Accumulated profits		540,440	505,750	462,347	872,059	835,482	778,291
<b>Total equity</b>		<b>682,084</b>	<b>646,321</b>	<b>603,595</b>	<b>1,014,125</b>	<b>976,425</b>	<b>919,291</b>
<b>Total liabilities and equity</b>		<b>1,172,196</b>	<b>1,211,194</b>	<b>1,153,786</b>	<b>1,367,237</b>	<b>1,429,581</b>	<b>1,408,035</b>

The accompanying accounting policies and explanatory notes form an integral part of the Financial Statements.

# GROUP INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Revenue</b>	19	1,527,136	1,515,311
Staff costs	20	(737,646)	(735,928)
Repairs and maintenance costs		(201,416)	(206,558)
Fuel and electricity costs		(281,551)	(259,288)
Premises costs		(44,716)	(56,226)
Depreciation expense	10	(92,618)	(93,991)
Other operating costs		(92,537)	(83,412)
Total operating costs		(1,450,484)	(1,435,403)
<b>Operating profit</b>	21	76,652	79,908
Interest income	22	12,834	4,524
Finance costs	23	(1,515)	(1,473)
<b>Profit before taxation</b>		87,971	82,959
Tax expense	24	(18,895)	(14,937)
<b>Profit attributable to shareholders</b>		69,076	68,022
Earnings per share (in cents):			
Basic	25	22.15	21.81
Diluted	25	22.15	21.81

# GROUP COMPREHENSIVE INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group	
	2023 \$'000	2022 \$'000
<b>Profit attributable to shareholders</b>	69,076	68,022
<b>Other comprehensive income:</b>		
<i>Items that may be reclassified subsequently to Profit or Loss</i>		
Fair value adjustment on cash flow hedges (Note 18)	91	(997)
<b>Total comprehensive income for the year, attributable to shareholders of the Company</b>	69,167	67,025

The accompanying accounting policies and explanatory notes form an integral part of the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group			
	Attributable to shareholders of the Company			
	Share capital (Note 17) \$'000	Other reserves (Note 18) \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Balance at 1 January 2023</b>	100,499	40,072	503,720	644,291
Amendment of SFRS (I) 1-12	–	–	2,030	2,030
<b>Balance at 1 January 2023 (as restated)</b>	100,499	40,072	505,750	646,321
<i>Total comprehensive income for the year</i>				
Profit for the year	–	–	69,076	69,076
Other comprehensive income for the year	–	91	–	91
Total	–	91	69,076	69,167
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(34,404)	(34,404)
Shares issuance	284	(284)	–	–
Share-based payment	–	982	–	982
Other reserves	–	–	18	18
Total	284	698	(34,386)	(33,404)
Balance at 31 December 2023	100,783	40,861	540,440	682,084
<b>Balance at 1 January 2022</b>	100,499	40,749	460,317	601,565
Amendment of SFRS (I) 1-12	–	–	2,030	2,030
<b>Balance at 1 January 2022 (as restated)</b>	100,499	40,749	462,347	603,595
<i>Total comprehensive income (expense) for the year</i>				
Profit for the year	–	–	68,022	68,022
Other comprehensive expense for the year	–	(997)	–	(997)
Total	–	(997)	68,022	67,025
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(24,637)	(24,637)
Share-based payment	–	320	–	320
Other reserves	–	–	18	18
Total	–	320	(24,619)	(24,299)
Balance at 31 December 2022 (as restated)	100,499	40,072	505,750	646,321

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Company			
	Share capital (Note 17)	Other reserves (Note 18)	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2023</b>	100,499	40,444	833,452	974,395
Amendment of SFRS (I) 1-12	–	–	2,030	2,030
<b>Balance at 1 January 2023 (as restated)</b>	100,499	40,444	835,482	976,425
<i>Total comprehensive income for the year</i>				
Profit for the year	–	–	70,963	70,963
Total	–	–	70,963	70,963
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(34,404)	(34,404)
Shares issuance	284	(284)	–	–
Share-based payment	–	1,123	–	1,123
Other reserves	–	–	18	18
Total	284	839	(34,386)	(33,263)
Balance at 31 December 2023	100,783	41,283	872,059	1,014,125
<b>Balance at 1 January 2022</b>	100,499	40,501	776,261	917,261
Amendment of SFRS (I) 1-12	–	–	2,030	2,030
<b>Balance at 1 January 2022 (as restated)</b>	100,499	40,501	778,291	919,291
<i>Total comprehensive income (expense) for the year</i>				
Profit for the year	–	–	81,810	81,810
Other comprehensive expense for the year	–	(236)	–	(236)
Total	–	(236)	81,810	81,574
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 30)	–	–	(24,637)	(24,637)
Share-based payment	–	179	–	179
Other reserves	–	–	18	18
Total	–	179	(24,619)	(24,440)
Balance at 31 December 2022 (as restated)	100,499	40,444	835,482	976,425

The accompanying accounting policies and explanatory notes form an integral part of the Financial Statements.

# GROUP CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group	
		2023 \$'000	2022 \$'000
<b>Operating activities</b>			
Profit before taxation		87,971	82,959
<u>Adjustments for:</u>			
Depreciation expense		92,618	93,991
Drawdown of fuel price equalisation account		(1,100)	–
Finance costs		1,515	1,473
Net loss (gain) on disposal of vehicles and equipment		93	(357)
Interest income		(12,834)	(4,524)
Provisions		4,250	9,695
Allowance for inventory obsolescence		8,363	11,027
Allowance for expected credit losses		5	4
Share-based payment expense		982	320
<hr/>			
Operating cash flows before movements in working capital		181,863	194,588
Trade receivables and other receivables		(43,077)	(6,995)
Inventories		(25,590)	(12,194)
Trade and other payables		264	34,651
Deferred grants		(285)	(423)
Deposits received		(104)	467
Utilisation of provisions		(6,032)	(4,211)
Receipt from net investment on sublease		166	163
<hr/>			
Cash generated from operations		107,205	206,046
Income tax paid		(31,182)	(22,006)
Interest paid arising from leases		(1,151)	(1,473)
<hr/>			
<b>Net cash from operating activities</b>		<b>74,872</b>	<b>182,567</b>
<hr/>			
<b>Investing activities</b>			
Interest received		12,658	3,001
Proceeds from disposal of vehicles and equipment		227	1,410
Purchase of vehicles, premises and equipment		(15,661)	(10,682)
<hr/>			
<b>Net cash used in investing activities</b>		<b>(2,776)</b>	<b>(6,271)</b>
<hr/>			
<b>Financing activities</b>			
Payments under lease liabilities	12	(11,049)	(10,407)
Dividends paid		(34,404)	(24,637)
Others		18	18
<hr/>			
<b>Net cash used in financing activities</b>		<b>(45,435)</b>	<b>(35,026)</b>
<hr/>			
<b>Net increase in cash and cash equivalents</b>		<b>26,661</b>	<b>141,270</b>
<hr/>			
<b>Cash and cash equivalents at beginning of year</b>		<b>345,304</b>	<b>204,034</b>
<hr/>			
<b>Cash and cash equivalents at end of year</b>	5	<b>371,965</b>	<b>345,304</b>

The accompanying accounting policies and explanatory notes form an integral part of the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 1. CORPORATE INFORMATION

The Company (Registration No. 199206653M) is incorporated in Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of the provision of public transport services. The principal activities of the companies in the Group are in the business of provision of public transport services and the supporting services relating to land transport. The provision of public transport services includes the operation of public bus, Downtown Mass Rapid Transit System (DTL), North-East Mass Rapid Transit System (NEL) and Sengkang Light Rapid Transit System and the Punggol Light Rapid Transit System (SPLRT).

The principal activities of the subsidiaries are described in Note 8 to the Financial Statements.

The Financial Statements are expressed in Singapore dollars and all values are rounded to the nearest thousand (\$'000) except when otherwise indicated.

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2023 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2023 were authorised for issue by the Board of Directors on 27 February 2024.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of accounting

The Financial Statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 Share-based Payment, leasing transactions that are within the scope of SFRS(I) 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 Inventories or value in use in SFRS(I) 1-36 Impairment of Assets.

### 2.2 Adoption of new and revised standards

On 1 January 2023, the Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective from that date.

The adoption of these new/revised SFRS(I)s does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below: –

- Amendments to SFRS(I) 1-12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The above amendments apply for annual reporting periods beginning on or after 1 January 2023, which narrowed the scope of the recognition exemption of SFRS(I) 1-12 Income Taxes so that it no longer applies to transactions such as leases that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and recognises the cumulative effect arising from the initial application of the amendments as an adjustment to the opening balance of retained earnings at that date.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.2 Adoption of new and revised standards (cont'd)

The effects of the adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s are shown below.

	<b>31 December 2021 \$'000</b>	<b>SFRS(I) 1-12 adjustments \$'000</b>	<b>1 January 2022 \$'000</b>
<b>Group</b>			
Deferred tax liabilities	44,619	(2,030)	42,589
Accumulated profits	460,317	2,030	462,347
<b>Company</b>			
Deferred tax liabilities	44,619	(2,030)	42,589
Accumulated profits	776,261	2,030	778,291

- Amendments to SFRS(I) 1-12 Income Taxes – International Tax Reform—Pillar Two Model Rules

The amendments to SFRS(I) 1-12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the Financial Statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The Group is a subsidiary of ComfortDelGro Corporation Limited ("CDG Group") and the CDG Group is in scope of the Pillar Two model rules as its consolidated annual revenue is more than EUR 750 million. Following the announcement in Budget 2023, the legislation is expected to be effective in Singapore for the Group's financial year beginning on or after 1 January 2025. The Group does not expect a material exposure to Pillar Two income taxes as the effective tax rate is above 15% where the transitional safe harbour relief would apply.

### 2.3 New/revised standards and improvements to the standards not yet adopted

The Group has not applied the following accounting standards that are relevant to the Group and have been issued as at the end of the reporting period but not yet effective:

- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-Current* <sup>(1)</sup>
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback* <sup>(1)</sup>
- Annual Improvements to SFRS(I) 1-1: *Non-current liabilities with Covenants* <sup>(1)</sup>
- Amendments to SFRS(I) 1-7 and SFRS(I) 7: *Supplier Finance Arrangements* <sup>(1)</sup>
- Amendments to SFRS(I) 21: *Lack of Exchangeability* <sup>(2)</sup>
- Amendments to SFRS(I) 1-10 and SFRS(I) 1-28: *Sales or Contribution of Assets between an Investor and its Associate or Joint Venture* <sup>(3)</sup>

<sup>(1)</sup> Applies to annual periods beginning on or after 1 January 2024.

<sup>(2)</sup> Applies to annual periods beginning on or after 1 January 2025.

<sup>(3)</sup> Date to be determined

Management anticipates that the adoption of the above SFRS(I) pronouncements in future periods will not have a material impact on the Financial Statements of the Group in the period of their initial adoption.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.4 Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and an entity controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group Income Statement and Group Comprehensive Income Statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of the subsidiary to bring its accounting policies in line with those consistently used by the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Statement of Financial Position of the Company, investment in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

### 2.5 Financial instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in Profit or Loss.

#### *Financial assets*

All recognised financial assets are classified, at initial recognition, as subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.5 Financial instruments (cont'd)

#### *Financial assets (cont'd)*

##### Impairment of financial assets

The Group applies the simplified approach permitted by SFRS(I) 9 Financial Instruments for trade receivables. The expected credit losses ("ECL") on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, the 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant. The internal credit rating of these financial assets are categorised as "Doubtful". The basis for recognition of ECL for financial assets with significant increase in credit risk since initial recognition is lifetime ECL – not credit impaired.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted. The internal credit rating of these financial assets are categorised as "Non-performing". The basis for recognition of ECL for financial assets with evidence indicating credit-impaired is lifetime ECL – credit impaired.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include taking into consideration observable data about the significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Where receivables have been written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

##### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss.

#### *Financial liabilities and equity instruments*

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.5 Financial instruments (cont'd)

#### *Financial liabilities and equity instruments (cont'd)*

##### Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

##### Hedging instruments and hedge accounting

The Group uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The Group uses hedging instruments such as forwards and options, to manage these risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 29).

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Profit or Loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in Profit or Loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

Hedging instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

At the inception of the hedge relationship, the Group formally designates and documents the relationship between the hedging instrument and hedged item, along with its risk management objective and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Hedges of both foreign currency risk and fuel price risk for future purchases of goods are designated as cash flow hedges.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Note 29 (c) contains details of the fair values of the hedging instruments.

##### Cash flow hedge

The effective portion of changes in fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts recognised in Other Comprehensive Income are taken to Profit or Loss during which the hedged cash flows affect Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.6 Leases

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its property.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before commencement date less any lease incentives received and an estimate of costs to be incurred by the lessee in restoring the site on which it is located required by the terms and conditions of the lease. Refer to Note 2.8 for details on estimated useful life.

#### ii) Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Subsequently, the carrying amount of lease liabilities is remeasured if there is a modification, change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.7 Inventories

Inventories are stated at cost less allowance for inventory obsolescence. Allowance is made for obsolete, slow-moving and defective inventories based on Management's estimates and judgement, taking into consideration inventories' physical and market conditions, inventory turnover, etc.

Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

### 2.8 Vehicles, premises and equipment

Vehicles, premises and equipment are stated at cost less accumulated depreciation and any provision for impairment.

Capital projects in progress comprising development and construction costs incurred during the period of construction are carried at cost, less any recognised provision for impairment. Depreciation on these assets, on the same basis as other vehicles, premises and equipment, commences when the assets are available for use.

Depreciation is charged so as to write off the cost of the assets, other than capital projects in progress, over the estimated useful lives using the straight-line method, on the following bases:

	<b>Number of years</b>
Buses and bus accessories	5 to 17
Leasehold land and buildings (including leasehold improvements)	5 years or Over the remaining lease period
Computers and automated equipment	3 to 5
Workshop machinery, tools and equipment	3 to 7
Motor vehicles	5 to 10
Furniture, fittings and equipment	5 to 7

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the lease period of the depots.

The carrying amount of an item of vehicles, premises and equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on disposal or retirement of an item of vehicles, premises and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment are retained in the Financial Statements until they are no longer in use.

### 2.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets, if any, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. A provision for impairment is recognised immediately in Profit or Loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.9 Impairment of non-financial assets (cont'd)

Where provision for impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of a provision for impairment is recognised immediately in Profit or Loss.

### 2.10 Fuel price equalisation account

Pursuant to Section 32 of the Public Transport Council Act 1987 (the "PTC Act"), a fuel price equalisation account ("FPEA") has been set up to account for diesel price and electricity tariff adjustment charge for the purpose of mitigating the effects of any increase in fuel price and electricity tariff. Annual contributions to the FPEA may be required as determined by the Public Transport Council ("PTC"), based on the reference electricity tariff and diesel price for the year.

In accordance with Section 32 of the PTC Act, withdrawal of any sum of money from the FPEA must not be made without approval from the PTC. Applications can be made to the PTC to seek approval for a draw down as may be catered for by the purpose of the FPEA mechanism, provided that the amount drawn does not exceed half of the available FPEA balance.

### 2.11 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Estimates are regularly reviewed and adjusted as appropriate for new circumstances for the provision.

#### Provision for onerous contract

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. If the contract is onerous, the present obligation under the contract shall be recognised and measured as a provision. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract.

#### Provision for reinstatement and maintenance costs

Provision for reinstatement costs to restore leased assets to their original condition, as required by the terms and conditions of the leases, is recognised when the obligation is incurred as a consequence of having used the underlying asset during a particular period of the lease, at Management's best estimate of the expenditure that would be required to restore the assets. Provision for maintenance costs is recognised as required by the terms and conditions of the Consolidated Rail Licence agreement.

#### Provision for accident claims

Claims for accident, public liability and others are provided in the Financial Statements based on the claims outstanding and the estimated amounts payable. The Company has undertaken motor vehicle insurance to cover liabilities relating to third party personal injury where claims are in excess of a stated quantum.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.12 Service benefits

These comprise the following:

- (a) Retirement benefits – Under the Collective Agreement entered into by the Group with the Union, a retirement benefit subject to a maximum of \$4,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service. The above benefits are unfunded and the cost of providing benefits is determined using the projected unit credit method.

Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.

- (b) Long service awards – Staff serving more than 5 years and up to 35 years are entitled to long service awards. The above benefits are unfunded and the cost of providing benefits is determined using the projected unit credit method. Provision is made in the financial statements based on the number of years of service rendered by qualifying employees and discounted using the market yield of Singapore Government Bonds at end of the reporting period.
- (c) Apart from the retirement benefits described in (a) above, the Group participates in a defined contribution plan managed by the Singapore Government ("Singapore Central Provident Fund"). Payments made to the plan are charged as an expense when the employees have rendered the services entitling them to the contributions.
- (d) Employee leave entitlement – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.
- (e) Share-based payments – The Company issued share awards to certain employees and Directors within the Group. Share awards are measured at fair value of the equity instruments (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share awards are expensed on a straight-line basis over the vesting period with a corresponding adjustment against share awards reserve, based on the Company's estimate of the number of equity instruments that will eventually vest.

### 2.13 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised in Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Grants that compensate the Company for specific expenses are presented as a deduction against the related expenses.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred grant in the Statements of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in Profit or Loss in the period in which they become receivable.

Government grants in relation to form of a transfer of a non-monetary asset, such as land or other resources, for the use of the Group, are recognised as both asset and grant at a nominal amount.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.14 Revenue recognition

The Group recognises revenue from the following sources:

- Transport services
- Lease revenue
- Other commercial services

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the services to the customer. The variable consideration is estimated at the inception of the contract and constrained until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Revenue from transport services comes from the provision of bus and rail services to commuters travelling on public transport systems:

- Revenue from transport regulator for the operation of bus services is recognised over time, as and when services are rendered and it includes an estimation of the expected consideration on achieving certain performance targets. Service fees are received on a monthly basis according to the terms stipulated in the contract. The Group's contracts with the transport regulator (customer) result in service income based on the transportation mileage fulfilled by the Group, which is subject to agreement and variation by the customer. The amounts that are subjected to uncertainty are constrained until the uncertainty associated with the variable consideration is resolved.
- Revenue from commuters for rail services is recognised at point in time, as and when services are rendered till the end of the commuter journey. Commuters pay for rail travel through a payment system administered by the transport regulator and the Group receives revenue on a daily basis. Revenue from transport regulator for rail services relates to performance incentives for achieving certain performance and service quality targets, and other rail services related income. Incentives are recognised based on targets achieved for each period assessed.

Lease revenue comprises availability fees for the buses and other assets used in the provision of bus services under the Bus Contracting Model ("BCM"). Lease revenue is recognised on a straight-line basis over time and is received on a monthly basis according to terms stipulated in the contract.

Revenue from other commercial services comprises advertising and rental income:

- Advertising production revenue is earned from advertisers through providing advertising concepts and campaigns and it is recognised when production is completed. Advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Consideration is received according to the terms in the contractual agreements which are consistent with market practice; and
- Rental income is recognised on a straight-line basis over the term of the relevant lease.

#### Contract balances

##### *Trade receivables*

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to Note 2.5 for accounting policy on financial assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.15 Income tax

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, provision for fuel equalisation and future tax benefits from certain provisions are not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising from investment in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in Profit or Loss, except when they relate to items credited or debited outside Profit or Loss (either in Other Comprehensive Income or directly in equity), in which case the tax is also recognised outside Profit or Loss (either in Other Comprehensive Income or directly in equity), or where they arise from the initial accounting for a business combination.

### 2.16 Foreign currency transactions

The individual Financial Statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the Consolidated Financial Statements.

Transactions in currencies other than each Group entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of each reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in Profit or Loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Profit or Loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (please see above for details of the Group's accounting policies in respect of such hedging instruments).

### 2.17 Cash and cash equivalents in the cash flow statement of the Group

Cash and cash equivalents in the Cash Flow Statement of the Group comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

### 2.18 Service concession contracts

Certain assets of the Group are used in connection with concession contracts granted by public sector customers ("concession grantors"). The characteristics of these contracts vary by contract, nevertheless, they generally provide, directly or indirectly, for the concession grantor's involvement on one hand in determining the service and compensation, and on the other, the return of certain assets necessary to perform the service at the end of the contract.

SFRS(I) INT 12 Service Concession Arrangements, is applicable to concession arrangements comprising a public service obligation and meeting the following criteria: the concession grantor controls or regulates the services to be provided by the operator using the asset, the beneficiaries of the service and prices applied; and the concession grantor controls the residual economic value of the assets at the end of the arrangement. The related assets that are deemed to meet the above criteria are not recognised as tangible assets of the Group. For assets that was held and recognised as vehicles, premises and equipment by the Group before entering the concession arrangement, the derecognition requirements are detailed in Note 2.8.

Service concession arrangements within scope of SFRS(I) INT 12 are accounted for using either the financial asset model or the intangible asset model, determined by the contract's terms and the nature of payment rights. The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the concession grantor for services provided, leading to the recognition of a financial asset. The intangible asset model is used when the operator is granted a right to charge public service users, resulting in the recognition of an intangible asset.

In the application of the Group's accounting policies, which are described in Note 2, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the Financial Statements (apart from those involving estimations, which are dealt with below).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

### 3.1 Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimates (see below), that Management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements:

#### Provision for rail contract and recoverability of debt and equity investments in a subsidiary

The Group applies judgement in evaluating whether the consolidated rail contract is an onerous contract and whether there are indicators of impairment and significant increase in credit risks in respect to the Company's debt and equity investments in SBS Transit Rail Pte. Ltd ("SBST Rail" or the "subsidiary"). It considers the projection of the future financial performance of the DTL, NEL and SPLRT under the Consolidated Rail Licence applying appropriate key assumptions relating to ridership growth, fare adjustments, availability of grants from the Authorities and operating costs projections. The Group also considers external information regarding forecasted economic indicators and geopolitical risk factors that could affect key operating costs drivers such as labour and energy costs.

#### Accounting for contracts with public transport regulator

The Group's Public Transport Services segment has entered into contracts with the public transport regulator (the "Grantor") in Singapore whereby the Group operates bus and train assets and related infrastructure that are either owned by the Group or leased from the Grantor (the "Public Transport Assets") to provide public transportation services.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

### 3.1 Critical judgements in applying the Group's accounting policies (cont'd)

As part of determining the appropriate accounting treatments for these contracts, the Group applies judgement to determine whether these public-to-private arrangements are within the scope of SFRS(I) INT 12 Service Concession Arrangements that would affect the manner that the Public Transport Assets, the related expenditures incurred by the Group, the service and fare income earned by the Group, and payments made to the Grantor under these contracts are recognised in the Group's Statement of Financial Position and Income Statement. The applicability of SFRS(I) INT 12 is based on an assessment of whether the Grantor has both the control over the services to be provided using the Assets, and the residual interests at the end of the contract.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### (a) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

##### *Accident claims*

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment are as well as the Group's insurance coverage are taken into account to estimate the amounts in which the Group will have to pay to third parties for such claims. Provision for claims is disclosed in Note 16 (a).

#### (b) Allowance for inventory obsolescence

The Group's inventories comprised mainly parts, accessories and consumable stock required for the operation and maintenance of vehicles and equipment used in the Group's Public Transport Services segment.

Management identifies and provides for obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended. For inventories that are still held for operations, Management considers economic obsolescence risk due to the limited timeframe for cost recovery from the related train or bus service revenues, which is expected to end by the expiry of the current licence agreement or the useful life of the buses respectively. Consequently, Management has estimated the obsolescence allowance by adopting a systematic straight-line write-down for spares that are aged 2 years and above till the end of the licence period or useful life of the buses.

Allowance for inventory obsolescence is disclosed in Note 7.

#### (c) Useful lives of vehicles, premises and equipment

As described in Note 2, the Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting period, including the consideration of climate-related matters, such as climate-related legislation and regulations or the Group's sustainability commitments that may restrict the use of assets. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required. The carrying amounts of the vehicles, premises and equipment are disclosed in Note 10.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

### 3.2 Key sources of estimation uncertainty (cont'd)

(d) Recoverability of the Company's investment in subsidiary and non-trade receivables due from subsidiary

Investment in a subsidiary is tested for impairment whenever there is indication that the investment may be impaired. Where there is an indication of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs of disposal of the investment. The Company has estimated the value-in-use of the equity investment in SBST Rail based on estimates of the future cash flows generated by SBST Rail and application of a suitable discount rate in order to calculate the present value of the cash flows. The Company has also made assessment of the expected credit loss ("ECL") of non-trade receivables due from SBST Rail that is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The above assessments involve projections of the subsidiary's future operating and financial performance during and beyond the current Consolidated Rail Licence prepared based on key assumptions and estimates including but not limited to ridership growth, fare adjustments, availability of grants from the Authorities and operating costs, after taking into consideration the current ridership patterns, fare adjustments, key operating cost drivers and the relevant risk factors. It also involves determining and applying an appropriate market-based discount rate to the discounted cash flow model. Management concluded that there is no impairment required as at 31 December 2023 and 31 December 2022.

Details of the non-trade receivables due from subsidiary and investment in subsidiary are disclosed in Note 6 and Note 8.

## 4. HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS

The Company's immediate and ultimate holding company is ComfortDelGro Corporation Limited, incorporated in Singapore.

Related companies in these Financial Statements refer to members of the ultimate holding company's group of companies.

Some of the Group's transactions and arrangements are with related parties and other members of the ultimate holding company's group of companies and the effects of these on the basis determined between the parties are reflected in these Financial Statements.

Related parties include associate or joint venture of a member of the ultimate holding company.

Intercompany and related party transactions during the financial year, other than those disclosed elsewhere in the notes to the Financial Statements are as follows:

	<b>Group</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Purchases of inventories from a related company	32,463	29,127
Shared services charged from ultimate holding company	4,575	4,727
Corporate services charged from ultimate holding company	4,302	4,132
Rental expense from:		
Ultimate holding company	2,997	2,808
Related company	591	651
Purchase of goods and services from related companies	4,492	4,235
Transfer of computers and automated equipment from (to):		
Ultimate holding company	266	(385)
Related companies	6	-
Sales of goods and services to:		
Ultimate holding company	(24)	(22)
Related companies	(2,042)	(1,594)
Rental income from related companies	(232)	(222)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 4. HOLDING COMPANY, RELATED COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

The amounts outstanding are unsecured, interest-free and are repayable on demand, unless otherwise stated. No guarantees have been given or received.

No expense has been recognised in the financial year for bad and doubtful debts in respect of the amounts owed by related companies.

## 5. SHORT-TERM DEPOSITS AND BANK BALANCES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash and bank balances	6,465	6,804	3,392	3,998
Fixed deposits	365,500	338,500	365,500	338,500
Total	371,965	345,304	368,892	342,498

Fixed deposits bear effective interest rate of 3.06% to 4.17% (2022 : 0.17% to 4.41% per annum and for a tenure of approximately 8 days to 1 year (2022 : 12 days to 1.2 years). The fixed deposits can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value.

## 6. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Trade receivables from:				
Related companies (Note 4)	672	6	–	–
Outside parties	144,024	111,095	133,836	102,864
Accrued income	52,223	44,107	1,119	1,107
	196,919	155,208	134,955	103,971
Allowance for expected credit losses	(59)	(58)	(25)	(21)
	196,860	155,150	134,930	103,950
Other receivables from:				
Ultimate holding company (Note 4)	4	24	4	24
Related companies (Note 4)	2,073	2,867	1,740	1,723
Subsidiaries (Note 4)	–	–	1,250	–
Outside parties	64,465	69,041	64,114	69,576
	66,542	71,932	67,108	71,323
Prepayments (Note 9)	33,528	28,116	5,251	6,441
Interest receivable	1,720	1,544	1,720	1,544
Staff advances	584	368	220	60
Security deposits from outside parties	1,263	1,118	1,234	1,089
Accrued income	3,761	2,810	714	429
Net investment on sublease	228	96	228	96
	107,626	105,984	76,475	80,982
Allowance for expected credit losses	(8)	(2)	(2)	(2)
	107,618	105,982	76,473	80,980
Total current trade and other receivables	304,478	261,132	211,403	184,930
Non-current other receivables due from subsidiaries (Note 4)	–	–	347,292	350,565
Total	304,478	261,132	558,695	535,495

The amounts outstanding are interest-free and the credit period ranges from 7 to 30 days (2022: 7 to 30 days). Amounts due from related companies have been classified as non-current assets as the Group does not expect for repayment within 12 months after the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 6. TRADE AND OTHER RECEIVABLES (cont'd)

The expected risks of default on trade and other receivables at the reporting date is insignificant as a majority of receivables is from LTA and other Government related agencies where Management has assessed the credit risk to be low. Receivables from LTA are classified as current as they are expected to be received within the Group's normal operating cycle. For the remaining receivables, the concentration of credit risk is limited due to the customer base being large and unrelated. Management is of the view that there has not been a significant change in credit quality and the amounts are still considered recoverable.

An allowance has been made for estimated irrecoverable amounts of the Group of \$67,000 (2022: \$60,000) and of the Company of \$27,000 (2022: \$23,000) owing from outside parties. There are no amounts written off for the Group and Company for 2023 and 2022. Allowance for expected credit losses recognised in Profit or Loss amounted to \$5,000 (2022: \$4,000) for Group and \$4,000 (2022: Write-back of \$20,000) for the Company.

The allowance made for estimated irrecoverable amounts had been determined by reference to past default experience and expected credit losses. The expected credit losses incorporate forward looking estimates, where relevant. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjust for forward-looking macroeconomic data, where relevant.

As at 1 January 2022, trade receivables and accrued income from contracts with customers amounted to \$179,384,000 (net of loss allowance of \$50,000) for the Group and \$151,308,000 for the Company (net of loss allowance of \$38,000).

## 7. INVENTORIES

Inventories comprised mainly parts, accessories and consumable stock required for the operation and maintenance of vehicles and equipment.

At the end of the reporting period, the inventories are stated net of allowance of \$46,369,000 (2022: \$39,579,000) for the Group and \$1,352,000 (2022: \$593,000) for the Company. The cost of inventories recognised as an expense includes \$8,363,000 (2022: \$11,027,000) in respect of write-downs of inventories. The carrying amount of the Group's inventories is \$119,876,000 (2022: \$102,649,000) and \$25,019,000 (2022: \$16,290,000) for the Company.

## 8. SUBSIDIARIES

	Company	
	2023 \$'000	2022 \$'000
Unquoted equity shares, at cost	100,002	100,002

Name of entity	Principal activity	Country of incorporation /operation	Company's effective interest		Cost of investment	
			2023 %	2022 %	2023 \$'000	2022 \$'000
SBS Transit Rail Pte. Ltd. <sup>(1)</sup>	Operation and maintenance of DTL, NEL and SPLRT	Singapore	100	100	100,000	100,000
SBS Transit Mobility Pte. Ltd. <sup>(1)</sup>	Provision of supporting services to land transport industry	Singapore	100	100	2	2

<sup>(1)</sup> Audited by Ernst & Young LLP, Singapore

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 9. PREPAYMENTS

Non-current prepayments pertain to down payments for the purchase of vehicles, premises and equipment. Current prepayments pertain to prepaid operating expenditures.

## 10. VEHICLES, PREMISES AND EQUIPMENT

		Group		Company	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Vehicles, premises and equipment owned	(a)	336,958	405,184	298,006	359,365
Right-of-use assets classified within vehicles, premises and equipment	(b)	16,588	75,683	16,588	75,683
		353,546	480,867	314,594	435,048

(a) Vehicles, premises and equipment owned

	Buses \$'000	Leasehold building (N1) \$'000	Leasehold improvements \$'000	Computers and automated equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Capital projects in progress \$'000	Total \$'000
<b>Group</b>									
<b>Cost or valuation (N1):</b>									
At 1 January 2022	972,436	46,934	67,350	34,331	65,269	9,131	21,285	4,832	1,221,568
Additions	–	–	827	2,458	2,984	911	487	7,128	14,795
Disposals	(2,013)	–	(868)	(766)	(5,689)	(476)	(2,222)	–	(12,034)
Reclassification	43	(253)	708	1,069	1,989	–	583	(4,139)	–
Transfer to ultimate holding company	–	–	–	–	(130)	–	–	–	(130)
Transfer to related companies	–	–	–	(693)	–	–	–	–	(693)
At 31 December 2022	970,466	46,681	68,017	36,399	64,423	9,566	20,133	7,821	1,223,506
Additions	255	10	68	3,640	2,860	1,052	605	5,915	14,405
Disposals	(13,667)	–	–	(1,836)	(2,422)	(681)	(965)	–	(19,571)
Reclassification	6,001	189	315	1,912	1,539	–	14	(9,970)	–
Transfer from ultimate holding company	–	–	243	2	–	–	21	–	266
Transfer from related company	–	–	–	6	–	–	–	–	6
At 31 December 2023	963,055	46,880	68,643	40,123	66,400	9,937	19,808	3,766	1,218,612
<b>Accumulated depreciation:</b>									
At 1 January 2022	596,889	18,301	43,330	27,583	39,952	6,715	15,698	–	748,468
Depreciation	58,896	3,455	5,673	5,061	6,070	860	1,643	–	81,658
Disposals	(1,443)	–	(868)	(766)	(5,662)	(474)	(2,153)	–	(11,366)
Reclassification	–	(20)	20	4	(3)	(1)	–	–	–
Transfer to ultimate holding company	–	–	–	–	(130)	–	–	–	(130)
Transfer to related companies	–	–	–	(308)	–	–	–	–	(308)
At 31 December 2022	654,342	21,736	48,155	31,574	40,227	7,100	15,188	–	818,322
Depreciation	59,974	3,576	5,480	4,114	6,849	842	1,748	–	82,583
Disposals	(13,376)	–	–	(1,836)	(2,409)	(680)	(950)	–	(19,251)
At 31 December 2023	700,940	25,312	53,635	33,852	44,667	7,262	15,986	–	881,654
<b>Carrying amount:</b>									
At 31 December 2023	262,115	21,568	15,008	6,271	21,733	2,675	3,822	3,766	336,958
At 31 December 2022	316,124	24,945	19,862	4,825	24,196	2,466	4,945	7,821	405,184



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. VEHICLES, PREMISES AND EQUIPMENT (cont'd)

### (a) Vehicles, premises and equipment owned (cont'd)

	Buses \$'000	Leasehold building ( <sup>(N1)</sup> ) \$'000	Leasehold improvements \$'000	Computers and automated equipment \$'000	Workshop machinery, tools and equipment \$'000	Motor vehicles \$'000	Furniture, fittings and equipment \$'000	Capital projects in progress \$'000	Total \$'000
<b>Company</b>									
<b>Cost or valuation (<sup>(N1)</sup>):</b>									
At 1 January 2022	972,436	46,934	38,333	30,062	57,658	6,626	18,865	3,986	1,174,900
Additions	–	–	3	1,226	1,671	–	297	7,425	10,622
Disposals	(2,013)	–	(868)	(635)	(5,645)	(476)	(2,152)	–	(11,789)
Reclassification	43	(253)	708	272	1,558	–	580	(2,908)	–
Transfer to ultimate holding company	–	–	–	–	(130)	–	–	–	(130)
Transfer to subsidiary	–	–	(8,038)	(4,502)	(28,895)	(2,904)	(2,124)	(1,836)	(48,299)
Transfer to related companies	–	–	–	(693)	–	–	–	–	(693)
At 31 December 2022	970,466	46,681	30,138	25,730	26,217	3,246	15,466	6,667	1,124,611
Additions	255	10	23	1,865	1,858	257	377	4,769	9,414
Disposals	(13,667)	–	–	(1,729)	(2,382)	(107)	(950)	–	(18,835)
Reclassification	6,001	189	55	1,118	1,196	–	14	(8,573)	–
Transfer from ultimate holding company	–	–	243	–	–	–	21	–	264
Transfer to subsidiary	–	–	–	(8)	–	–	–	–	(8)
Transfer from related company	–	–	–	5	–	–	–	–	5
At 31 December 2023	963,055	46,880	30,459	26,981	26,889	3,396	14,928	2,863	1,115,451
<b>Accumulated depreciation:</b>									
At 1 January 2022	596,889	18,301	34,062	24,148	35,253	4,730	14,007	–	727,390
Depreciation	58,896	3,455	708	3,183	1,732	322	1,053	–	69,349
Disposals	(1,443)	–	(868)	(634)	(5,634)	(474)	(2,104)	–	(11,157)
Reclassification	–	(20)	20	4	(3)	–	(1)	–	–
Transfer to ultimate holding company	–	–	–	–	(130)	–	–	–	(130)
Transfer to subsidiary	–	–	(5,024)	(2,824)	(9,110)	(1,966)	(974)	–	(19,898)
Transfer to related companies	–	–	–	(308)	–	–	–	–	(308)
At 31 December 2022	654,342	21,736	28,898	23,569	22,108	2,612	11,981	–	765,246
Depreciation	59,974	3,576	630	2,130	2,873	307	1,248	–	70,738
Disposals	(13,376)	–	–	(1,729)	(2,382)	(107)	(937)	–	(18,531)
Transfer to subsidiary	–	–	–	(8)	–	–	–	–	(8)
At 31 December 2023	700,940	25,312	29,528	23,962	22,599	2,812	12,292	–	817,445
<b>Carrying amount:</b>									
At 31 December 2023	262,115	21,568	931	3,019	4,290	584	2,636	2,863	298,006
At 31 December 2022	316,124	24,945	1,240	2,161	4,109	634	3,485	6,667	359,365

(<sup>(N1)</sup>): The Group's leasehold building at Soon Lee bus depot are stated at their revalued amounts (Note 18) being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done pursuant to the agreement in the Negotiated Contract under the BCM (Note 32). As at 31 December 2023, the carrying amount of the Group's leasehold building at Soon Lee bus depot would have been \$7,403,000 (2022: \$8,513,000), had the leasehold building been carried at cost less accumulated depreciation. Other than the aforementioned asset, the other assets are measured using the cost model.

On 13 June 2022, the Company signed an agreement with the Land Transport Authority on the sale and transfer of Soon Lee bus depot in 2024. The bus depot will be sold at the carrying value upon transfer in 2024, subsequent to a series of renovations and maintenance works to be completed before the handover date in 2024.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. VEHICLES, PREMISES AND EQUIPMENT (cont'd)

### (a) Vehicles, premises and equipment owned (cont'd)

Details of leasehold land and building occupied by the Group and the Company are as follows:

Location	Approximate land area	Tenure	Usage
No. 28 Soon Lee Road Singapore	26,670 sq m	30 years from 1 April 2000 (6 years 3 months unexpired)	Bus depot

Details of bus depots are as follows:

Location	Approximate land area	Tenure	Usage
No. 550 Bukit Batok Street 23 Singapore	52,189 sq m	43 years from 1 January 1983 (2 years unexpired)	Bus depot
No. 4 Defu Ave 1 Singapore	45,190 sq m	43 years 11 months from 1 January 1983 (2 years 11 months unexpired)	Bus depot
No. 1470 Bedok North Avenue 4 Singapore	62,220 sq m	Under Temporary Occupation Licence	Bus depot
No. 15 Ang Mo Kio Street 63 Singapore	63,955 sq m	30 years 9 months from 1 March 1994 (11 months unexpired)	Bus depot

### (b) Right-of-use assets classified within vehicles, premises and equipment

The Group leases several leasehold land and buildings with an average contractual lease term of 8 years (2022: 11 years), where the Group make periodic payments which are used for its day to day bus operations. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	Bus Depots \$'000	Leasehold Land <sup>(N2)</sup> \$'000	Total \$'000
<b>Group and Company</b>			
<b>Cost or valuation<sup>(N2)</sup>:</b>			
At 1 January 2022	152,744	17,600	170,344
Changes arising from remeasurement	(2,084)	–	(2,084)
At 31 December 2022	150,660	17,600	168,260
Changes arising from remeasurement	(49,060)	–	(49,060)
At 31 December 2023	101,600	17,600	119,200
<b>Accumulated depreciation:</b>			
At 1 January 2022	73,334	6,910	80,244
Depreciation	11,037	1,296	12,333
At 31 December 2022	84,371	8,206	92,577
Depreciation	8,739	1,296	10,035
At 31 December 2023	93,110	9,502	102,612
<b>Carrying amount:</b>			
At 31 December 2023	8,490	8,098	16,588
At 31 December 2022	66,289	9,394	75,683

<sup>(N2)</sup>: The Group has secured the right-of-use of leasehold land at Soon Lee bus depot with no future payments required. The Group's leasehold land is stated at its revalued amount (Note 18) being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done pursuant to the agreement in the Negotiated Contract under the BCM (Note 32). As at 31 December 2023, the carrying amount of the Group's leasehold land would have been \$3,737,000 (2022: \$4,334,000), had the leasehold land been carried at cost less accumulated depreciation. Other than the aforementioned asset, the other assets are measured using the cost model.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 10. VEHICLES, PREMISES AND EQUIPMENT (cont'd)

### (b) Right-of-use assets classified within vehicles, premises and equipment (cont'd)

No lease expired in the current financial year (2022: Nil). In 2023, the Group has remeasured its leases due to changes in lease term and change in future lease payments from change in index or rate which are not considered as lease modification under SFRS(I) 16 amounting to \$49,060,000 (31 December 2022: \$2,084,000).

The total depreciation expenses for the financial year amount to \$92,618,000 (2022: \$93,991,000) and consist of depreciation from vehicles, premises and equipment of \$82,583,000 (2022: \$81,658,000) and right-of-use assets of \$10,035,000 (2022: \$12,333,000).

## 11. DEFERRED TAX ASSETS/LIABILITIES

	Group		Company	
	2023 \$'000	2022 \$'000 (restated)	2023 \$'000	2022 \$'000 (restated)
Deferred tax assets	20,855	20,750	–	–
Deferred tax liabilities	(22,424)	(26,621)	(22,424)	(26,621)
Net	(1,569)	(5,871)	(22,424)	(26,621)
At beginning of the year	(5,871)	(17,554)	(26,621)	(44,619)
Tax impact arising from SFRS(I) 16 to retained earnings	–	2,030	–	2,030
At beginning of the year (as restated)	(5,871)	(15,524)	(26,621)	(42,589)
Credit to Profit or Loss (Note 24)	6,146	21,387	6,698	19,789
Under/(Over) provision of tax in prior years (Note 24)	(1,823)	–	(2,501)	–
Utilisation of deferred tax assets under Group Relief Scheme:				
– SBS Transit Rail Pte. Ltd.	(2)	(11,938)	–	–
Transfer from SBS Transit Ltd to SBS Transit Rail Pte. Ltd.	–	–	–	(3,821)
Arising from movement in Other Comprehensive Income Statement	(19)	204	–	–
At end of the year	(1,569)	(5,871)	(22,424)	(26,621)

The balance comprises the tax effects of:

Unutilised tax losses	5,963	8,804	–	–
Excess of carrying amount over tax written value	(42,698)	(59,739)	(45,917)	(62,941)
Provisions	31,883	31,613	20,210	22,869
Lease liabilities	3,283	13,451	3,283	13,451
Net deferred tax liabilities	(1,569)	(5,871)	(22,424)	(26,621)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 12. LEASE LIABILITIES

Group and Company as lessee	Group and Company	
	2023	2022
	\$'000	\$'000
Maturity analysis:		
Within one year	11,085	12,377
In the second to fifth year inclusive	9,060	51,103
After five years	–	20,393
	20,145	83,873
Less: Future finance charges	(835)	(4,752)
	19,310	79,121
Analysed as:		
Current	10,523	11,116
Non-current	8,787	68,005
	19,310	79,121

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group and the Company's treasury function.

The total cash outflow for leases (including short-term leases and leases of low value assets) amount to \$11,125,000 (2022: \$10,759,000).

As at 31 December 2023, the Group and the Company are committed to \$99,000 (2022: \$47,300) for leases that are short-term and of low value assets.

### Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group Cash Flow Statement as cash flows from financing activities.

	1 January 2023 \$'000	Financing cash flows \$'000	Non-cash changes	31 December 2023 \$'000
			Re- measurement \$'000	
Lease liabilities	79,121	(11,049)	(48,762)	19,310
Total	79,121	(11,049)	(48,762)	19,310

	1 January 2022 \$'000	Financing cash flows \$'000	Non-cash changes	31 December 2022 \$'000
			Re- measurement \$'000	
Lease liabilities	91,612	(10,407)	(2,084)	79,121
Total	91,612	(10,407)	(2,084)	79,121

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 13. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Payables to:				
Ultimate holding company (Note 4)	2,753	2,668	2,697	2,658
Subsidiaries (Note 4)	–	–	–	2
Related companies (Note 4)	6,257	4,290	5,542	3,699
Outside parties	95,748	71,520	60,355	60,461
Accruals	226,255	252,158	139,479	168,531
Deferred income	2,907	3,164	1,472	1,456
<b>Total</b>	<b>333,920</b>	<b>333,800</b>	<b>209,545</b>	<b>236,807</b>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

The amounts outstanding are interest-free and the average credit period is 30 days (2022: 30 days).

## 14. DEPOSITS RECEIVED

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Deposits received	11,413	11,517	4,410	4,498
Less: Due within 12 months	(4,046)	(4,655)	(1,450)	(2,593)
Due after 12 months	7,367	6,862	2,960	1,905

Deposits received from tenants in respect of leases of stalls and shop lots, are repayable upon termination of the lease agreements. Deposits that are not expected to be repaid within the next 12 months after the end of the reporting period are presented as a non-current liability. The carrying amount of the deposits approximates their fair value.

## 15. DEFERRED GRANTS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Non-current deferred grants	4,064	4,349	3,966	4,104

Non-current deferred grants relate to capital grants from Government.

## 16. PROVISIONS

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Provision for accident claims	11,560	13,213	11,560	13,213
Provision for service benefits	11,072	12,421	8,750	10,583
Provision for reinstatement and maintenance costs	9,172	7,588	5,988	3,066
	31,804	33,222	26,298	26,862

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 16. PROVISIONS (cont'd)

### (a) Provision for accident claims

	<b>Group and Company</b>	
	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
At beginning of the year	13,213	16,075
Charge to Profit or Loss	2,641	401
Payments	(4,294)	(3,263)
At end of the year	11,560	13,213

The provision for accident claims represents the estimated amount which the Group will have to pay to outside parties for accident claims involving the Group Vehicles (Note 3.2 (a)(i)).

### (b) Provision for service benefits

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At beginning of the year	12,421	11,663	10,583	11,081
(Write-back) Charge to Profit or Loss	(136)	1,706	(799)	1,330
Transfer to subsidiary	–	–	–	(1,039)
Payments	(1,213)	(948)	(1,034)	(789)
At end of the year	11,072	12,421	8,750	10,583

The provision for service benefits represents the estimated amount which the Group will have to pay to employees who qualify for these staff benefits based on certain conditions.

### (c) Provision for reinstatement and maintenance costs

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At beginning of the year	7,588	–	3,066	–
Charge to Profit or Loss – Provisions	1,745	7,588	2,558	3,066
Charge to Profit or Loss – Finance costs	364	–	364	–
Payments	(525)	–	–	–
At end of the year	9,172	7,588	5,988	3,066
Analysed as:				
Current	16,079	16,465	14,674	13,213
Non-current	15,725	16,757	11,624	13,649
	31,804	33,222	26,298	26,862

The provision for reinstatement costs represents the estimated amount which the Group will have to pay to restore leased assets to their original condition as required by the terms and conditions of the lease agreements. The provision for maintenance costs is the estimated amount as required by the terms and conditions of the Consolidated Rail Licence agreement. These provisions are estimated based on historical settlements and quotations obtained.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 17. SHARE CAPITAL

	Group		Company	
	2023	2022	2023	2022
	Number of ordinary shares ('000)		\$'000	\$'000
Issued and paid up:				
At beginning of the year	311,865	311,865	100,499	100,499
Issued during the year	101	–	284	–
At end of the year	311,966	311,865	100,783	100,499

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

The Company has one class of ordinary shares which carry no right to fixed income.

## 18. OTHER RESERVES

	Group		Company	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Premises revaluation reserve:</b>				
At beginning and end of the year	40,265	40,265	40,265	40,265
<b>Hedging reserve:</b>				
At beginning of the year	(513)	484	–	236
Transfer to subsidiary	–	–	–	(236)
Net (loss) gain on cash flow hedges	91	(997)	–	–
At end of the year	(422)	(513)	–	–
<b>Share award reserve:</b>				
At beginning of the year	320	–	179	–
Share-based payments	982	320	1,123	179
Shares issuance	(284)	–	(284)	–
At end of the year	1,018	320	1,018	179
Total	40,861	40,072	41,283	40,444

The premises revaluation reserve arises on the revaluation of land and leasehold building. When revalued land and building are sold, the portion of the premises revaluation reserve that relates to that asset is transferred directly to retained earnings. Items of other comprehensive income included in the premises revaluation reserve will not be reclassified subsequently to Profit or Loss.

The hedging reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in Profit or Loss only when the hedged transaction affects the Profit or Loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items (basis adjustment).

The share award reserve arises on the grant of share awards to employees under the SBS ESS. Further information about share-based payments to employees is set in Note 20(iii).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 19. REVENUE

	Group	
	2023 \$'000	2022 \$'000
Transport services	1,380,793	1,378,100
Lease revenue	89,484	86,895
Other commercial services	56,859	50,316
	1,527,136	1,515,311

Revenue from transport services are mainly contracts with the Government (public sector) in Singapore for an average of 10 years, refer to Note 31 and 32 for details. The Group derives the revenue that corresponds directly with the services rendered to the customers. Included in the revenue from transport services are performance incentives from transport regulator for achieving certain performance and service quality targets and other rail related services income. The performance incentives accounted for approximately 3% (2022: 4%) of the total revenue.

## 20. STAFF COSTS

Included in staff costs are:

- (i) The remuneration of the Directors (executive and non-executive) and key executives comprised mainly short term benefits amounting to \$4,503,394 (2022: \$4,071,210).

	Group	
	2023 \$'000	2022 \$'000
(ii) Cost of contribution to Central Provident Fund	61,342	59,672

- (iii) Share-based payments (included in staff costs)

### Share awards scheme

During the year, the Company granted the second tranche of share awards of 567,000 (2022: 411,000) ordinary shares pursuant to the SBS ESS to selected employees of the Group. This included an award of 80,000 (2022: 30,000) ordinary shares to Deputy Chairman, Mr Cheng Siak Kian, 50,000 (2022: 25,000) ordinary shares to Group Chief Executive Officer, Mr Sim Vee Ming and 35,000 (2022: Nil) ordinary shares to Director, Mr Lim Tien Hock. These are time-based awards to be vested over a 4-year period.

Since the adoption of SBS ESS, a total of 978,000 (2022: 411,000) share awards were granted. The fair value of the share awards at grant date is measured based on the share price at date of grant. Details of the share awards granted, vested and lapsed and the number of unvested share awards outstanding as at the end of the financial year is as follows:

Date of grant	Balance at 1 January 2022	Number of share awards			Balance at 31 December 2022
		Granted	Vested	Lapsed	
12 July 2022	–	411,000	–	(7,500)	403,500

Date of grant	Balance at 1 January 2023	Number of share awards			Balance at 31 December 2023
		Granted	Vested	Lapsed	
12 July 2022	403,500	–	(100,875)	–	302,625
8 May 2023	–	567,000	–	–	567,000
	403,500	567,000	(100,875)	–	869,625



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 21. OPERATING PROFIT

	Group	
	2023 \$'000	2022 \$'000
Directors' fees	995	859
Cost of inventories recognised in repairs and maintenance costs	139,042	137,751
Net loss (gain) on disposal of vehicles and equipment	93	(357)
Allowance for inventory obsolescence	8,363	11,027
Allowance for expected credit losses	5	4
Provision for accident claims	2,641	401
(Write-back) Provision for service benefits	(136)	1,706
Provision for reinstatement and maintenance costs	1,745	7,588
Audit fees:		
Auditor of the Company	253	178
Non-audit fees:		
Auditor of the Company	8	84

## 22. INTEREST INCOME

	Group	
	2023 \$'000	2022 \$'000
Interest income from bank and short-term deposits	12,825	4,521
Interest income from net investment on sublease	9	3
	12,834	4,524

## 23. FINANCE COSTS

	Group	
	2023 \$'000	2022 \$'000
Interest expense on lease liabilities	1,151	1,473
Unwinding of discount on provision (Note 16(c))	364	–
	1,515	1,473

## 24. TAX EXPENSE

	Group	
	2023 \$'000	2022 \$'000
Current taxation	23,218	36,324
Deferred tax (Note 11)	(4,323)	(21,387)
	18,895	14,937

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit before taxation as a result of the following differences:

Profit before taxation	87,971	82,959
Taxation charge at statutory rate	14,955	14,103
Non-allowable items	1,631	1,700
Tax-exempt income	(35)	(17)
Under/(Over) provision of deferred tax in prior years	1,823	(849)
Under provision of income tax in prior years	521	–
	18,895	14,937

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 25. EARNINGS PER SHARES

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>2023</b>	<b>2022</b>
Profit attributable to shareholders of the Company (\$'000)	69,076	68,022
Weighted average number of ordinary shares in issue ('000)	311,924	311,865
Basic earnings per share (in cents)	22.15	21.81

Fully diluted earnings per share approximates the basic earnings per share as the effect of the dilutive shares outstanding at the end of the financial year is not material to the basic earnings per share.

## 26. BUSINESS SEGMENT INFORMATION

The Group operates principally in Singapore.

Following the developments in the public transport industry, the Group's business segment information reported to the Group's chief operating decision maker for purposes of resource allocation and assessment of segment performance are based on the following:

- (a) Public Transport Services: Income is generated substantially from the provision of bus and rail services to commuters travelling on public transportation systems under contracts with the transport regulator.
- (b) Other Commercial Services: Income is generated substantially through –
  - (i) advertisements on buses and trains and at bus interchanges and rail stations; and
  - (ii) rental collections from commercial and shop space at bus interchanges and rail stations.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's Profit or Loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 26. BUSINESS SEGMENT INFORMATION (cont'd)

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accruals, deposits, provisions and lease liabilities.

	<b>Public Transport Services \$'000</b>	<b>Other Commercial Services \$'000</b>	<b>Total \$'000</b>
<b>31 December 2023</b>			
Revenue	1,470,277	56,859	1,527,136
RESULTS			
Segment results	40,192	36,460	76,652
Interest income			12,834
Finance costs			(1,515)
Profit before taxation			87,971
Tax expense			(18,895)
Profit after taxation			69,076
<i>Other information</i>			
Additions of vehicles, premises and equipment	13,162	1,515	14,677
Depreciation expense	87,547	5,071	92,618
<i>Statement of Financial Position</i>			
ASSETS			
Segment assets	756,700	21,288	777,988
Unallocated corporate assets			394,208
			1,172,196
LIABILITIES			
Segment liabilities	398,265	27,751	426,016
Unallocated corporate liabilities			64,096
			490,112

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 26. BUSINESS SEGMENT INFORMATION (cont'd)

	Public Transport Services \$'000	Other Commercial Services \$'000	Total \$'000
<b>31 December 2022</b>			
Revenue	1,464,995	50,316	1,515,311
RESULTS			
Segment results	50,753	29,155	79,908
Interest income			4,524
Finance costs			(1,473)
Profit before taxation			82,959
Tax expense			(14,937)
Profit after taxation			68,022
<i>Other information</i>			
Additions of vehicles, premises and equipment	13,671	1,124	14,795
Depreciation expense	89,090	4,901	93,991
<i>Statement of Financial Position (Restated)</i>			
ASSETS			
Segment assets	820,621	23,655	844,276
Unallocated corporate assets			366,918
			1,211,194
LIABILITIES			
Segment liabilities	462,890	27,070	489,960
Unallocated corporate liabilities			74,913
			564,873

## 27. OPERATING LEASE ARRANGEMENTS

### The Group as lessor

Operating leases, in which the Group and the Company are the lessors and intermediate lessors, relate to rental of spaces and floor areas at bus interchanges, bus depots and train stations. The properties are managed and maintained by the Group.

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Maturity analysis of operating lease payments:				
Within one year	18,282	16,310	6,873	4,722
In the second to fifth year inclusive	13,638	14,009	7,329	3,171
	31,920	30,319	14,202	7,893

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 28. CAPITAL COMMITMENTS

As at 31 December 2023, the Group and the Company have the following capital commitments contracted for but not provided for in the Financial Statements:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Purchase of vehicles, premises and equipment	14,277	13,450	7,512	5,416

## 29. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Financial assets</b>				
Amortised cost	642,915	578,286	922,336	871,552
Financial instruments designated in hedge accounting relationships:				
Hedging instrument	–	34	–	–
<b>Financial liabilities</b>				
Amortised cost	341,882	341,501	212,483	239,849
Lease liabilities	19,310	79,121	19,310	79,121
Financial instruments designated in hedge accounting relationships:				
Hedging instrument	509	652	–	–

### (b) Financial risk, management policies and objectives

The main areas of financial risk faced by the Group are foreign currency exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. The Group oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

#### *Foreign exchange rate risk management*

The Group is exposed to currency risk as a result of its purchases of spare parts, fuel and any other purchases where the currency denomination differs from its functional currency (Singapore dollars). Its exposures include United States Dollar ("USD"), Swedish Kroner ("SEK"), Euro ("EUR"), Japanese Yen ("JPY"), Malaysian Ringgit ("MYR") and Sterling Pound ("GBP").

The Group manages its foreign exchange exposure through active currency management using hedging instruments such as forwards and options where necessary.

Based on sensitivity analysis performed, the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit or equity of the Group is insignificant.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

### (b) Financial risk, management policies and objectives (cont'd)

#### *Interest rate risk management*

The Group's primary interest rate risk relates to deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk.

#### Interest rate sensitivity

Based on sensitivity analysis performed at end of the reporting period, the exposure to changes in interest rates and the resulting impact on the profit or Other Comprehensive Income of the Group is not significant.

#### *Credit risk management*

The Group has minimal credit risk arising from its public transport operations as the credit risk that arises from its public transport operations is mainly from LTA and commuters who use the contactless smart card where cash is collected upfront. The remaining credit risk from advertisement and rental revenue is controlled via upfront deposits or strict credit terms and regular monitoring of advertisers' and tenants' financial standing. The Group enters into treasury transactions (including fixed deposit placements) only with creditworthy financial institutions. Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The Group develops and maintains its credit risk grading to categorise exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivables from the date credit was initially granted up to the reporting date and expected credit losses as at end of the reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements. The assessment of credit risk and expected credit loss of the Company's receivable due from subsidiary is disclosed in Note 3.2(d).

#### *Liquidity risk management*

The Group regularly reviews its liquidity position comprising free cash flows from its operations and credit lines from banks to ensure its ability to access funding at any time at the best possible rates.

#### *Fuel price risk management*

Fuel, comprising diesel and electricity, is part of the operating cost of the Group. The Group seeks to hedge the price risk associated with its fuel needs and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Following the transition to the BCM, the fuel indexation in the contracts with LTA provides a natural hedge to the diesel price risk. In view of this, the fuel price risk faced by the Group relates mainly to electricity. Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at end of the reporting period, every one percentage point change in the rates of electricity using the closing rates as at end of the reporting period as a basis will impact the Group's annual electricity costs by \$291,000 (2022: \$317,000). The sensitivity analysis assumes that consumption is held constant at the same level as in 2023.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

### (b) Financial risk, management policies and objectives (cont'd)

#### *Fair values of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and other current liabilities approximate the respective fair values due to the relatively short-term maturity of these financial instruments. Management considers that the carrying amounts of non-current receivables in the financial statements to approximate their respective fair values.

The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the Financial Statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

### (c) Hedging instruments

	Group		Company	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<u>Financial assets</u>				
At fair values:				
Fuel hedges	–	34	–	–
<u>Financial liabilities</u>				
At fair values:				
Fuel hedges	262	301	–	–
Foreign exchange hedges	247	351	–	–
	509	652	–	–

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group and the Company use fuel hedges contract to hedge against fuel price risks. These arrangements are designed to address fuel price exposure and are accounted for as cash flow hedges. The fair value of the Group's fuel hedging instruments comprised Nil (2022: \$34,000) of assets and \$262,000 (2022: \$301,000) of liabilities on cash flow hedges in Other Comprehensive Income. No fuel hedging instruments for the Company.

The Group and the Company use forward contracts and options to manage their exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges. The fair value of the Group's foreign exchange hedging instruments comprised \$247,000 (2022: \$351,000) of liabilities on cash flow hedges in Other Comprehensive Income. The Company did not utilise fuel hedging instruments in 2023.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting period, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting period, the Group has outstanding hedges with notional amounts for fuel hedges and foreign exchange hedges amounting to \$9,670,000 respectively (2022: \$10,956,000).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 29. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd)

### (d) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholder value. Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt.

With respect to debt capital, as of 31 December 2023, the Group does not have outstanding borrowings (2022: Nil). The Group's equity capital refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

## 30. DIVIDENDS

### (a) During the financial year, the Company paid dividends as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
Tax-exempt one-tier final dividend in respect of the previous financial year:		
– 5.45 cents (2022: 2.45 cents) per ordinary share	16,997	7,641
Tax-exempt one-tier interim dividend in respect of the current financial year:		
– 5.58 cents (2022: 5.45 cents) per ordinary share	17,407	16,996
	<u>34,404</u>	<u>24,637</u>

### (b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 5.58 cents per ordinary share totalling \$17,408,000 (2022: \$16,997,000) be paid for the financial year ended 31 December 2023. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax exempt one-tier interim dividend of 5.58 cents per ordinary share (2022: 5.45 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2023 will be 11.16 cents per ordinary share (2022: 10.90 cents per ordinary share).

## 31. LICENCE FOR RAIL SERVICES

### *Consolidated Rail Licence as part of NRFF (Version 2)*

On 11 November 2021, the Company entered into a framework agreement with LTA and SBS Transit DTL Pte. Ltd. (now known as SBS Transit Rail Pte. Ltd.) to transit the DTL to NRFF (Version 2). Under this framework agreement, LTA will issue a Consolidated Rail Licence to SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT. The NRFF (Version 2) is designed to reduce commercial volatility for rail operators in delivering a reliable and financially sustainable public rail service. With the transfer of NEL and SPLRT to SBS Transit Rail Pte. Ltd. as part of the Consolidated Rail Licence, the related assets and liabilities were transferred at carrying amounts as at 31 December 2021 from SBS Transit Ltd to SBS Transit Rail Pte. Ltd..

The Consolidated Rail Licence took effect from 1 January 2022 to operate the NEL, SPLRT and the DTL for a period of 11 years. This Consolidated Rail Licence supersedes the licence granted to NEL and SPLRT dated 1 April 2018 and the licence granted to DTL dated 19 December 2013.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

## 31. LICENCE FOR RAIL SERVICES (cont'd)

*Consolidated Rail Licence as part of NRFF (Version 2) (cont'd)*

Under NRFF Version 2, LTA owns and pay for the operating assets, including additions, renewals and replacements. In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, the Company will pay an annual licence charge to the LTA over the licence period. The licence charge structure under the NRFF provides for some sharing between the Company and the LTA of revenue risks under the Fare Revenue Shortfall Sharing as well as profit sharing via an Earnings Before Interest and Tax Cap/Collar. These are explained below:

### (i) Fare Revenue Shortfall Sharing ("FRSS")

The licence charge structure has a FRSS mechanism which offers some level of protection against revenue risks arising from uncertainties in ridership and fares. Under this mechanism, if the actual revenue falls short of the target revenue by 2% to 6%, LTA will share 50% of the shortfall. If the shortfall between the actual revenue and the target revenue exceeds 6%, LTA will bear 75% of the incremental revenue shortfall beyond 6%.

### (ii) Earnings Before Interest and Tax ("EBIT") Cap / Collar

The licence charge structure provides for profit sharing via an EBIT (as computed in accordance with the licence agreement) cap and collar mechanism whereby LTA shares in the upside of the EBIT above the cap as well as the downside risks below the collar. If the EBIT margin is lower than 3.50%, LTA will share 50% of the shortfall. LTA's sharing of the shortfall is limited by the amount of licence charge payable by SBS Transit Rail Pte. Ltd. for the year. If the EBIT margin exceeds the cap of 5%, the excess will be shared via a tiered structure, whereby 85% to 95% of the incremental EBIT above the 5% cap will be shared with LTA.

LTA's sharing under the FRSS and/or the EBIT Cap/Collar is limited by the amount of licence charge payable by the SBS Transit Rail Pte. Ltd. for the year.

In addition, the LTA may reimburse or be reimbursed by SBS Transit Rail Pte. Ltd. when new regulatory changes initiated by LTA after the transition lead to changes in operating costs or revenue. Regulatory changes that may impact operating costs or revenue include modifications to operating performance standards for the rail lines, maintenance performance standards for the operating assets, key performance indicators or codes of practice and changes in rentable and advertising spaces available for generating non-fare revenue.

## 32. CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM")

The Company entered into public bus services contracts (collectively known as the "Negotiated Contract") with LTA for the operation of public bus services under the BCM. The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016. Including the two bus packages secured through tender, the Company operates a total of 9 bus packages which cover a total of 220 bus services, 7 bus depots, 1 bus park, 18 bus interchanges and 15 bus terminals. The fleet size required to operate the 9 packages is around 3,600 buses. The 9 bus packages are: Sengkang-Hougang, Bedok, Jurong West, Tampines, Serangoon-Eunos, Clementi, Bishan-Toa Payoh, Bukit Merah and Seletar.

The contracted expiry dates of the 9 bus packages range from 2024 to 2030.

Under the BCM, revenue for the Company is derived from the provision of public bus services to LTA which comprises service fee and leasing fee while LTA retains all fare revenue collected from the provision of the bus services. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, the Company retains revenue from other commercial services comprising advertising and rental.

As part of the Negotiated Contract, the Company leases its fleet of close to 2,900 buses to LTA. In consideration of the Company using its fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of the Company (bus depot and related equipment) based on the depreciation of such assets.

The Company's performance will be assessed annually under an incentive-disincentive framework including key performance indicators such as bus service availability, bus punctuality and maintenances of buses, bus interchanges, bus depots and bus ticketing system.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

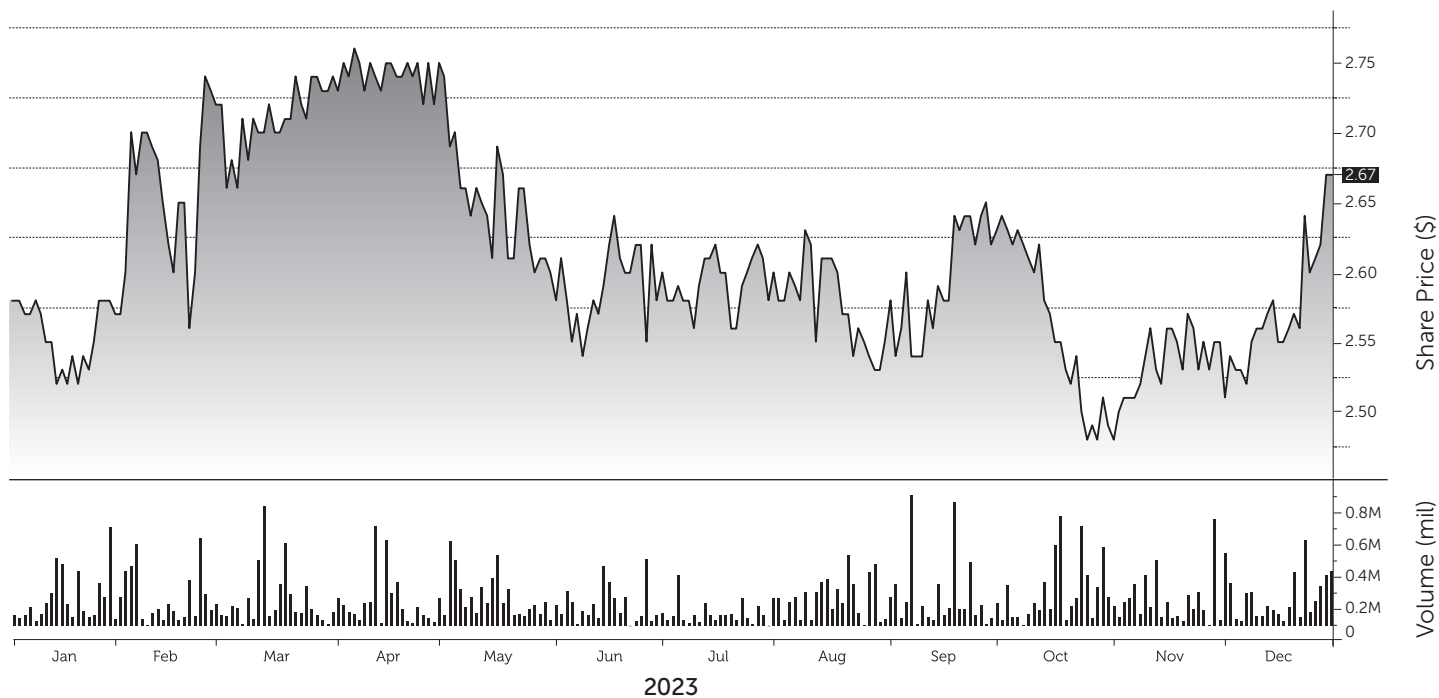
## 32. CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM") (cont'd)

In addition to operating and managing bus services to specified performance standards, the Company's responsibilities include the following:

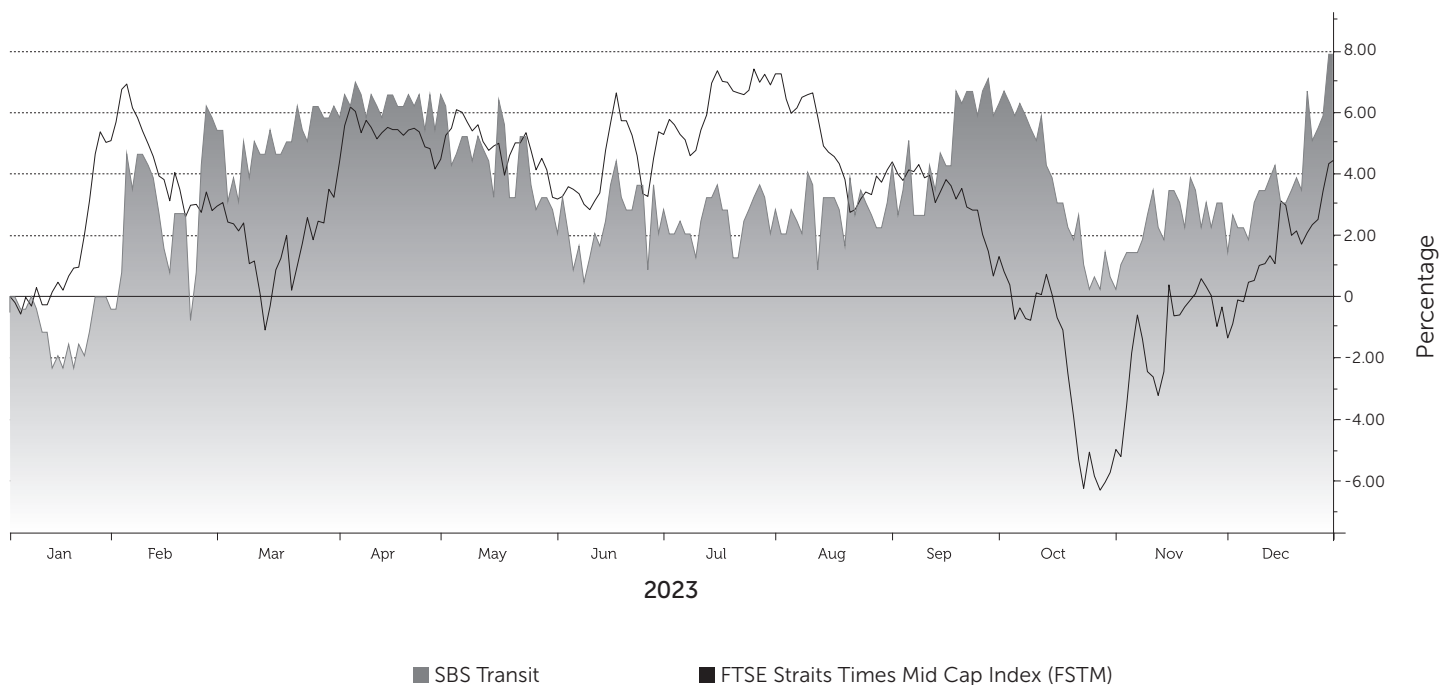
- (a) Operate, manage and maintain the buses and their on-board equipment;
- (b) Operate and maintain the bus interchanges and bus depots including the equipment and systems therein;
- (c) Operate the buses, bus depots and related equipment that are provided by LTA for the provision of the bus services;
- (d) Charge and collect fares as approved by the PTC, on behalf of LTA, for travel on the bus services;
- (e) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- (f) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

# SHARE PRICE MOVEMENT CHART

## SBS TRANSIT'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



## COMPARISON OF PERFORMANCE OF SBS TRANSIT'S SHARE PRICE AND THE FTSE STRAITS TIMES MID CAP INDEX (FSTM)



Source: Bloomberg Finance L.P.

# SHAREHOLDING STATISTICS

AS AT 1 MARCH 2024

Issued and Fully Paid-Up Capital	:	S\$100,783,450
No. of Shares Issued	:	311,965,641
Class of Shares	:	Ordinary Shares Fully Paid
Voting Rights	:	One (1) Vote Per Ordinary Share

The Company does not hold any Treasury Shares and Subsidiary Holdings.

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 1 MARCH 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	28	0.15	730	0.00
100 – 1,000	3,929	20.74	2,453,073	0.79
1,001 – 10,000	14,411	76.06	27,057,588	8.67
10,001 – 1,000,000	570	3.00	20,634,997	6.61
1,000,000 & Above	10	0.05	261,819,253	83.93
<b>TOTAL</b>	<b>18,948</b>	<b>100.00</b>	<b>311,965,641</b>	<b>100.00</b>

## LIST OF TWENTY (20) LARGEST SHAREHOLDERS

(As recorded in the Depository Register as at 1 March 2024)

	Name of Shareholder	No. of Shares	% <sup>(1)</sup>
1	Comfortdelgro Corporation Limited	232,125,512	74.41
2	DBS Nominees Pte Ltd	9,614,699	3.08
3	Raffles Nominees (Pte) Limited	7,226,700	2.32
4	Citibank Nominees Singapore Pte Ltd	3,387,803	1.08
5	United Overseas Bank Nominees Pte Ltd	2,186,700	0.70
6	ABN Amro Clearing Bank N.V.	2,117,700	0.68
7	OCBC Nominees Singapore Pte Ltd	1,826,600	0.58
8	IFAST Financial Pte Ltd	1,185,889	0.38
9	Phillip Securities Pte Ltd	1,084,650	0.35
10	CGS-CIMB Securities (Singapore) Pte Ltd	1,063,000	0.34
11	Changi Bus Company (Private) Limited	691,548	0.22
12	Tan Kuangxu	619,000	0.20
13	Maybank Securities Pte. Ltd.	400,000	0.13
14	Pang Cheow Jow	400,000	0.13
15	UOB Kay Hian Pte Ltd	301,400	0.10
16	Jusin Private Limited	300,000	0.10
17	Alex Theodor Hefner Golke	283,900	0.09
18	HSBC (Singapore) Nominees Pte Ltd	279,169	0.09
19	Goei Beng Guan Alex	278,750	0.09
20	Chin Hsiang San (Qian Xiangshan)	250,000	0.08
	<b>TOTAL:</b>	<b>265,623,020</b>	<b>85.15</b>

Notes:

<sup>(1)</sup> The percentage is calculated based on 311,965,641 issued shares of the Company as at 1 March 2024.

# SHAREHOLDING STATISTICS

AS AT 1 MARCH 2024

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 1 March 2024)

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
COMFORTDELGRO CORPORATION LIMITED	232,125,512	74.41	–	–

Notes:

<sup>(1)</sup> The percentage is calculated based on 311,965,641 issued shares of the Company as at 1 March 2024.

## COMPLIANCE WITH RULE 723 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) LISTING MANUAL

Based on information available and to the best knowledge of the Company as at 1 March 2024, approximately 25.56% of the ordinary shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

# NOTICE OF ANNUAL GENERAL MEETING

## SBS TRANSIT LTD

(Incorporated in the Republic of Singapore)  
(Co. Reg. No.: 199206653M)

**NOTICE IS HEREBY GIVEN** that the Thirty-First Annual General Meeting (the “**AGM**”) of SBS Transit Ltd. (the “**Company**”) will be held on Thursday, 25 April 2024 at 10.00 a.m. via electronic means and in person at:

**AUDITORIUM  
COMFORTDELGRO HEADQUARTERS  
205 BRADDELL ROAD  
SINGAPORE 579701**

The AGM is for the purpose of transacting the following businesses:

### **ORDINARY BUSINESS:**

To consider and, if thought fit, to pass the following Resolutions:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 5.58 Singapore cents (S\$0.0558) per ordinary share in respect of the financial year ended 31 December 2023. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$930,700 (FY2022: S\$814,235) for the financial year ended 31 December 2023. **(Resolution 3)**
4. To approve the payment of Directors’ fees of up to S\$990,000 for the financial year ending 31 December 2024.  
[Please refer to Explanatory Note (a)] **(Resolution 4)**
5. To re-elect Mr Tan Beng Hai, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[Please refer to Explanatory Note (b)] **(Resolution 5)**
6. To re-elect Ms Lee Sok Koon, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.  
[Please refer to Explanatory Note (c)] **(Resolution 6)**
7. To re-elect Dr Christina Lim Yui Hung, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.  
[Please refer to Explanatory Note (d)] **(Resolution 7)**
8. To re-elect Mr Patrick Daniel, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.  
[Please refer to Explanatory Note (e)] **(Resolution 8)**
9. To re-elect Mr Yeo Teng Chuan, Edwin a Director retiring pursuant to Regulation 106 of the Company’s Constitution.  
[Please refer to Explanatory Note (f)] **(Resolution 9)**
10. To note the retirement of Ms Chua Mui Hoong as Director of the Company.  
[Please refer to Explanatory Note (g)]
11. To note the retirement of Professor Lim Seh Chun as Director of the Company.  
[Please refer to Explanatory Note (h)]
12. To note the retirement of Professor Yu Ching Man as Director of the Company.  
[Please refer to Explanatory Note (i)]
13. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 10)**

# NOTICE OF ANNUAL GENERAL MEETING

## SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions:

## ORDINARY RESOLUTIONS:

### 14. AUTHORITY TO ISSUE SHARES UNDER THE SBS EXECUTIVE SHARE SCHEME

**(Resolution 11)**

That 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**").

That 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.

*(Note: The Scheme was approved at the AGM of the Company held 29 April 2021.)*

[Please refer to Explanatory Note (j)]

### 15. RENEWAL OF SHARE BUYBACK MANDATE

**(Resolution 12)**

#### That:

- (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**");

# NOTICE OF ANNUAL GENERAL MEETING

- (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/she 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.

*(Note: The Share Buyback Mandate was approved at the AGM of the Company held on 29 April 2021.)*

[Please refer to Explanatory Note (k)]



# NOTICE OF ANNUAL GENERAL MEETING

## NOTICE OF RECORD AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00p.m. on Monday, 6 May 2024 for the purpose of determining Shareholders' entitlements to the proposed tax exempt one-tier final dividend of 5.58 Singapore cents (S\$0.0558) per ordinary share for the financial year ended 31 December 2023 (the **"Proposed Final Dividend"**).

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on Monday, 6 May 2024 will be registered to determine Shareholders' entitlements to the Proposed Final Dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on Monday, 6 May 2024 will be entitled to the Proposed Final Dividend.

The Proposed Final Dividend, if approved by the Shareholders at the Thirty-First Annual General Meeting of the Company, will be paid on Tuesday, 14 May 2024.

## BY ORDER OF THE BOARD SBS TRANSIT LTD

Angeline Joyce Lee Siang Pohr  
Au Cheen Kuan  
Company Secretaries  
Singapore

27 March 2024

## EXPLANATORY NOTES:

### ORDINARY BUSINESS:

- (a) Resolution 4 is to approve the payment of Directors' Fees for the Non-Executive Directors of the Company during the financial year ending 31 December 2024 ("**FY2024**"). If the Resolution is passed, the Non-Executive Directors can be paid during the financial year in which the fees are incurred. The proposed Directors' Fees are computed based on the anticipated number of Directors on the Board and composition of the Board Committees, as well as the anticipated number of Board and Board Committee meetings for FY2024. In the event that the amount proposed is insufficient, approval will be sought at the next Annual General Meeting before any payments are made to Non-Executive Directors for the shortfall.
- (b) Mr Tan Beng Hai<sup>(1)</sup> will, upon re-election as a Director of the Company, serve as Chairman of the Board, Chairman of both the Nominating and Remuneration Committee and the Tenders and Investments Committee, and a member of the Sustainability and Service Quality Committee. Mr Tan will be considered an Independent Non-Executive Director of the Company.
- (c) Ms Lee Sok Koon<sup>(1)</sup> will, upon re-election as a Director of the Company, serve as Chairman of the Audit and Risk Committee and a member of the Tenders and Investments Committee. Ms Lee will be considered an Independent Non-Executive Director of the Company for the purpose of Rule 704(8) of the Listing Manual.
- (d) Dr Christina Lim Yui Hung<sup>(1)</sup> will, upon re-election as a Director of the Company, serve as a member of the Sustainability and Service Quality Committee. Dr Lim will be considered an Independent Non-Executive Director of the Company.
- (e) Mr Patrick Daniel<sup>(1)</sup> will, upon re-election as a Director of the Company, serve as Chairman of the Sustainability and Service Quality Committee. Mr Daniel will be considered an Independent Non-Executive Director of the Company.
- (f) Mr Yeo Teng Chuan, Edwin<sup>(1)</sup> will, upon re-election as a Director of the Company, serve as a member of the Audit and Risk Committee. Mr Yeo will be considered an Independent Non-Executive Director of the Company for the purpose of Rule 704(8) of the Listing Manual.
- (g) Ms Chua Mui Hoong will, upon her retirement as a Director of the Company at the end of the AGM, cease to be a member of the Sustainability and Service Quality Committee.
- (h) Professor Lim Seh Chun will, upon his retirement as a Director of the Company at the end of the AGM, cease to be the Chairman of the Sustainability and Service Quality Committee and a member of the Nominating and Remuneration Committee.

# NOTICE OF ANNUAL GENERAL MEETING

- (i) Professor Yu Ching Man will, upon his retirement as a Director of the Company at the end of the AGM, cease to be a member of the Tenders and Investments Committee and the Sustainability and Service Quality Committee.

<sup>(a)</sup> Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled **"Board of Directors"**, **"Directors' Particulars"** and **"Additional Information on Directors Seeking Re-election"** in the FY2023 Annual Report of the Company.

## SPECIAL BUSINESS:

- (j) Ordinary Resolution 11, if passed, will empower the Directors to grant Awards in accordance with the provisions of the Scheme and to issue and/or transfer from time to time such number of fully paid Shares as may be required to be issued and/or transferred pursuant to the vesting of the Awards subject to the maximum number of Shares prescribed under the terms and conditions of the Scheme. The total number of new Shares which may 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, provided that 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 (i) all Awards under the Scheme, and (ii) all Shares, options or awards granted under any other share option scheme of the Company then in force (if any), shall be subject to any applicable limits prescribed under the Listing Manual. The Scheme was approved at the AGM of the Company held on 29 April 2021.
- (k) Ordinary Resolution 12, if passed, will renew the Share Buyback Mandate, and empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of Market Purchases or Off-Market Purchases) Shares on the terms of the Share Buyback Mandate as set out in the Circular to Shareholders dated 27 March 2024 (the **"Circular"**), which is available at [www.sbstransit.com.sg](http://www.sbstransit.com.sg).

The Company may use internal sources of funds to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect on the listing status of the Shares on the SGX-ST, liquidity and/or the orderly trading of the Shares and/or the financial position of the Group. The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased and the purchase prices paid at the relevant times.

An illustration of the financial impact of the purchase or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate on the Audited Financial Statements of the Group for the financial year ended 31 December 2023 is set out in the Circular.

## NOTES:

1. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member who is a Relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

**"Relevant intermediary"** means:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
- (c) the Central Provident Fund Board (**"CPF Board"**) established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

# NOTICE OF ANNUAL GENERAL MEETING

4. Investors holding shares under the Central Provident Fund Investment Schemes ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**") who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on Monday, 15 April 2024). CPF/SRS Investors should contact their respective agent banks for any queries they may have with regard to the appointment of proxy for the AGM.
5. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be submitted in the following manner:
  - (a) If submitted by post, be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
  - (b) If submitted by electronic mail, be sent to [agm2024@sbstransit.com.sg](mailto:agm2024@sbstransit.com.sg); or
  - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, [www.conveneagm.sg/SBST\\_AGM2024](http://www.conveneagm.sg/SBST_AGM2024), in each case, by 10.00 a.m. on Monday, 22 April 2024, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.
6. In the case of shares entered in the Depository Register, the Company may reject any instrument appointing proxy lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (i.e. by 10.00 a.m. on Monday, 22 April 2024), as certified by The Central Depository (Pte) Limited to the Company.
7. A corporation which is a member of the Company may authorise by resolutions of its directors or other governing body, such person as it thinks fit to act as its representative at the meeting.
8. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.

## IMPORTANT INFORMATION

The AGM is being convened and will be held physically ("**Physical Meeting**") and by electronic means ("**Virtual Meeting**").

Shareholders of the Company ("**Shareholders**") shall take note of the following arrangements for the conduct of the AGM on Thursday, 25 April 2024 at 10.00 a.m.:

### 1. **Attendance**

The pre-registration procedures are set out below:

#### **Virtual Meeting**

Proceedings of the AGM will be broadcasted through live audio-visual and audio-only feeds ("**Live Webcast**").

All Shareholders who wish to follow the proceedings of the AGM must pre-register online at the URL: [www.conveneagm.sg/SBST\\_AGM2024](http://www.conveneagm.sg/SBST_AGM2024) for verification purposes by 10.00 a.m. on Monday, 22 April 2024.

#### **Physical Meeting**

Please pre-register for verification purposes by 10.00 a.m. on Monday, 22 April 2024 at the URL: [www.conveneagm.sg/SBST\\_AGM2024](http://www.conveneagm.sg/SBST_AGM2024) and indicate your interest to attend the AGM physically at the AGM venue.

# NOTICE OF ANNUAL GENERAL MEETING

## **Virtual Meeting**

Shareholders who are appointing proxy(ies) (“**Proxy(ies)**”) to attend the Virtual Meeting should inform his/her Proxy(ies) to pre-register at the URL: **www.conveneagm.sg/SBST\_AGM2024** not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on Monday, 22 April 2024), failing which the appointment shall be invalid.

Following verification, the Company will provide verified Shareholders and Proxy(ies) with a confirmation email by Tuesday, 23 April 2024 (“**Confirmation Email for Virtual Meeting**”) via the email address provided during the pre-registration or as indicated in the Proxy Form, to access the Live Webcast to watch the live feed of the AGM proceedings via the log-in credentials created during the pre-registration or log-in with their SingPass account.

Please use the registered identification credentials to access the Live Webcast. Shareholders must not forward the above-mentioned link to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live Webcast.

Shareholders who have registered by 10.00 a.m. on Monday, 22 April 2024 but have not received the Confirmation Email for Virtual Meeting by Tuesday, 23 April 2024, please email to **ir@sbstransit.com.sg**.

If you have any queries on the Live Webcast, please email to **ir@sbstransit.com.sg** or **support@conveneagm.com** or call the telephone number +65 6856 7330.

## **2. Submission of Questions**

(a) Submission of questions in advance of the AGM:

Shareholders can submit questions in advance relating to the businesses of the AGM either via:

- (i) electronic mail to **ir@sbstransit.com.sg**; or
- (ii) the Company’s AGM pre-registration website, **www.conveneagm.sg/SBST\_AGM2024**.

All questions must be submitted by 10.00 a.m. on Friday, 12 April 2024.

The Company will endeavour to address questions which are substantial and relevant by 10.00 a.m. on Friday, 19 April 2024, which is seventy-two (72) hours prior to the closing date and time for the lodgement of the proxy forms (i.e. 10.00 a.m. on Monday, 22 April 2024).

## **Physical Meeting**

Shareholders who are appointing Proxy(ies) to attend the Physical Meeting on his/her behalf should inform his/her Proxy(ies) to pre-register and specify his/her/their intention to attend the Physical Meeting at the URL: **www.conveneagm.sg/SBST\_AGM2024** not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. by 10.00 a.m. on Monday, 22 April 2024), failing which the appointment shall be invalid.

Verified Shareholders and Proxy(ies) who are successful in the pre-registration to attend the Physical Meeting will receive an email by Tuesday, 23 April 2024 (“**Confirmation Email for Physical Meeting**”) via the email address provided during the pre-registration or as indicated in the Proxy Form.

Shareholders who have registered by 10.00 a.m. on Monday, 22 April 2024 but have not received the Confirmation Email for Physical Meeting by Tuesday, 23 April 2024, please email to **ir@sbstransit.com.sg**.

If you have any queries on the attendance at the AGM venue, please email to **ir@sbstransit.com.sg**.

# NOTICE OF ANNUAL GENERAL MEETING

- (b) Submission of questions during the AGM:

## **Virtual Meeting**

## **Physical Meeting**

Shareholders and Proxy(ies) who have pre-registered and been verified to attend the AGM proceedings via the Live Webcast will be able to ask questions relating to the agenda of the AGM during the AGM by:

Verified Shareholders and Proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

- (i) Submitting text-based questions via the Live Webcast by clicking the "Ask a Question" feature and then clicking "Type Your Question" to input their queries in the questions text box.
- (ii) Clicking the "Ask a Question" feature and then clicking the "Queue for Video Call" via the Live Webcast. The relevant Shareholder or Proxy will be informed once it is appropriate for him/her to speak and can thereafter raise his/her question via audio-visual means during the AGM within a certain prescribed time limit.

- (c) Where there are substantially similar questions for the Virtual Meeting and Physical Meeting, the Company will consolidate such questions. As a result, the questions received may not be addressed individually.

### **3. Voting**

Live voting will be conducted during the AGM for Shareholders and Proxy(ies) attending the Physical Meeting or Virtual Meeting. It is important for Shareholders and Proxy(ies) to bring their own web-browser enabled devices for voting at the Physical Meeting or have their own web-browser enabled devices ready for voting during the Virtual Meeting.

Shareholders and Proxy(ies) will be required to log-in via the email address provided during the pre-registration or as indicated in the Proxy Form.

The Proxy Form for the AGM may be accessed at the Company's website at **[www.sbstransit.com.sg/agm2024proxyform](http://www.sbstransit.com.sg/agm2024proxyform)**, or on SGXNET. The electronic proxy form is also available on the Company's AGM pre-registration site, **[www.conveneagm.sg/SBST\\_AGM2024](http://www.conveneagm.sg/SBST_AGM2024)**.

- (a) Live Voting

Shareholders and Proxy(ies) may cast their votes in real time for each resolution to be tabled during the AGM via the log-in credentials created during the pre-registration or via their SingPass accounts. Shareholders and Proxy(ies) will have the opportunity to cast their votes via the live voting feature. Shareholders and Proxy(ies) must bring a web-browser enabled device in order to cast their votes.

CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should instead approach their respective relevant intermediary as soon as possible to specify voting instructions.

- (b) Voting via appointing the Chairman of the Meeting as proxy:

As an alternative to the above, Shareholders may also vote at the AGM by appointing the Chairman of the Meeting as proxy to vote on their behalf. Duly completed Proxy Forms must be:

- (i) deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
- (ii) sent via electronic mail to **[agm2024@sbstransit.com.sg](mailto:agm2024@sbstransit.com.sg)**; or
- (iii) lodged at the Company's AGM pre-registration website, **[www.conveneagm.sg/SBST\\_AGM2024](http://www.conveneagm.sg/SBST_AGM2024)**,

and submitted by 10.00 a.m. on Monday, 22 April 2024, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

# NOTICE OF ANNUAL GENERAL MEETING

(c) CPF/SRS Investors:

CPF/SRS Investors who have used their CPF/SRS monies to buy the Company's shares should not make use of the Proxy Form and should instead approach their respective intermediary as soon as possible to specify voting instructions. CPF/SRS Investors who wish to vote should approach their respective CPF Agent Bank/SRS Operator at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on Monday, 15 April 2024), to ensure that their votes are submitted.

## **4. Access to documents or information relating to the AGM**

The Annual Report for the financial year ended 31 December 2023 and the Circular dated 27 March 2024 in relation to the proposed renewal of the Share Buyback Mandate have been uploaded on SGXNET on 27 March 2024 and may be accessed via SGXNET and also the Company's website at [www.sbstransit.com.sg](http://www.sbstransit.com.sg).

## **5. Filming and Photography**

When a Shareholder or Proxy attends, speaks and votes at the AGM via electronic means or physically, he/she consents to his/her video and/or photographs being taken for the purpose of publication on the Company's website and publicity materials without further notification.

## **FURTHER UPDATES**

Shareholders should note that the manner of conducting the AGM may be subject to further changes based on the evolving COVID-19 situation, any legislative amendments and any directives or guidelines from government agencies or regulatory authorities. Any changes to the manner of conducting the AGM will be announced by the Company on SGXNET. Shareholders are advised to check SGXNET and the Company's website regularly for any further updates.

## **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any actions, proceedings, penalties, liabilities, claims, demands, costs, expenses, losses and damages suffered or incurred by the Company as a result of the member's breach of warranty.

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# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Bob Tan Beng Hai, Ms Lee Sok Koon, Dr Christina Lim Yui Hung, Mr Patrick Daniel and Mr Edwin Yeo Teng Chuan, all of whom are seeking re-election as Directors of the Company at the Thirty-First AGM to be held on Thursday, 25 April 2024, is to be read in conjunction with their respective biographies on pages 75 to 79.

	<b>BOB TAN BENG HAI</b> <b>Chairman</b> <b>(Independent Non-Executive Director)</b>	<b>LEE SOK KOON</b> <b>(Independent Non-Executive Director)</b>
Date of appointment	29 April 2021	1 May 2017
Date of last re-appointment	28 April 2022	28 April 2022
Age	72	70
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment	Mr Tan not only has extensive experience in the commercial sector, his leadership and strong understanding of corporate governance, labour and government issues will continue be an asset to the Company.	Ms Lee's extensive experience and knowledge in corporate finance and corporate governance will continue to enhance board deliberations and contribute towards the core competencies of the Board.
	<i>Please refer to Mr Tan's profile on page 18 of the Annual Report 2023.</i>	<i>Please refer to Ms Lee's profile on page 22 of the Annual Report 2023.</i>
Working experience and occupations(s) during the past 10 years	<p><b><u>Current Directorship Listed Company</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd – Chairman (since 29 Apr 2021)</li> <li>CapitaLand Ascott Business Trust Management Pte Ltd<sup>#</sup> – Chairman (since 30 Dec 2019)</li> <li>CapitaLand Ascott Trust Management Limited<sup>#</sup> – Chairman (since 1 Sep 2016)</li> <li>Singapore Post Limited – Director (since 10 Oct 2016)</li> </ol> <p><b><u>Non-listed Company</u></b></p> <ol style="list-style-type: none"> <li>Jurong Engineering Limited – Chairman (since 1 Dec 2005)</li> <li>SBS Transit Rail Pte. Ltd. – Director and Chairman (since 1 Jan 2022)</li> </ol> <p><b><u>Other appointment</u></b></p> <ol style="list-style-type: none"> <li>Monetary Authority of Singapore – Securities Industry Council Member (since 1 Jan 2020)</li> <li>Monetary Authority of Singapore – Corporate Governance Advisory Committee Member (since 12 Feb 2019)</li> <li>Sentosa Development Corporation – Chairman (since 1 Apr 2019)</li> <li>NTUC Club Management Council – Council Member (since 22 Aug 2003)</li> <li>Tripartite Alliance Limited – Deputy Chairman (since 1 Nov 2023)</li> </ol>	<p><b><u>Current Directorship Listed Company</u></b></p> <ol style="list-style-type: none"> <li>SBS Transit Ltd – Director (since May 2017)</li> <li>Japan Foods Holding Ltd – Director (since Sep 2011)</li> <li>Lum Chang Holdings Ltd – Director (since Aug 2021)</li> <li>Mooreast Holdings Ltd – Director (since Oct 2021)</li> </ol> <p><b><u>Non-listed Company</u></b></p> <ol style="list-style-type: none"> <li>NUS America Foundation, Inc. – Director (since Sep 2017)</li> </ol> <p><b><u>Other appointment</u></b></p> <ol style="list-style-type: none"> <li>Singapore Arts School Ltd – Honorary Member of Fundraising Committee (1 Feb 2020 to 31 Dec 2026)</li> </ol> <p><b><u>Current Principal Commitment</u></b></p> <p>NIL</p>

<sup>#</sup> CapitaLand Ascott Trust Management Limited is the manager of CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT). CapitaLand Ascott Business Trust Management Pte. Ltd. is the trustee-manager of CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CapitaLand Ascott Trust is a stapled group listed on the SGX-ST Mainboard comprising CapitaLand Ascott REIT and CapitaLand Ascott BT.



# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

<b>CHRISTINA LIM YUI HUNG</b> <b>(Independent Non-Executive Director)</b>	<b>PATRICK DANIEL</b> <b>(Independent Non-Executive Director)</b>	<b>YEO TENG CHUAN, EDWIN</b> <b>(Independent Non-Executive Director)</b>
1 October 2023	1 January 2024	1 January 2024
NIL	NIL	NIL
55	69	55
Singapore	Singapore	Singapore
Dr Lim's expertise in mechanical engineering, research and teaching will enhance board deliberations and guidance for the Company's operations and maintenance technology and systems, their improvement and upgrade, as well as training and upskilling of its staff.	Mr Daniel's extensive experience in the commercial and media sector will enhance board deliberations and contribute towards the core competencies of the Board.	Mr Yeo's qualification and working experience in digital and information technology will help the Company enhance risk management and heighten the standard of governance in the evolving culture on security of technology, data management and cybersecurity.
<i>Please refer to Dr Lim's profile on page 23 of the Annual Report 2023.</i>	<i>Please refer to Mr Daniel's profile on page 21 of the Annual Report 2023.</i>	<i>Please refer to Mr Yeo's profile on page 24 of the Annual Report 2023.</i>
<p><b><u>Current Directorship Listed Company</u></b></p> <p>1. SBS Transit Ltd – Director (Appointed on 1 Oct 2023)</p> <p><b><u>Non-listed Company</u></b></p> <p>1. SBS Transit Rail Pte. Ltd. (Appointed on 1 Dec 2023)</p> <p><b><u>Current Principal Commitment</u></b></p> <p>1. National University of Singapore – Associate Professor &amp; Deputy Head (Outreach), Dept. of Mechanical Engineering</p> <p><b><u>Past 10 years Directorship</u></b></p> <p>NIL</p>	<p><b><u>Current Directorship Listed Company</u></b></p> <p>1. SBS Transit Ltd – (Appointed on 1 Jan 2024)</p> <p><b><u>Non-listed Company</u></b></p> <p>1. Imperial Gloucester Pte Ltd (since 30 Apr 2015)</p> <p>2. Verdant.sg Pte. Ltd. (since 28 Aug 2018)</p> <p>3. Vibranium Capital Pte Ltd (since 13 Nov 2018)</p> <p>4. AlphaInvest Holdings Pte Ltd (formerly ShareInvestor.com Holdings Pte Ltd) (since 19 Nov 2018)</p> <p>5. Stewardship Asia Centre CLG Limited (since 7 Aug 2019)</p> <p>6. Singapore Press Club Ltd. (since 14 Jun 2021)</p> <p>7. SPH Media Trust (since 19 Jul 2021)</p> <p>8. SPH Media Holdings Pte Ltd (since 29 Sep 2021)</p> <p>9. SPH Foundation Limited (since 1 Jan 2022)</p> <p>10. Da Zhong Tankers (Pte) Ltd (since 23 Jul 2020)</p> <p>11. Nan Chuan Maritime (Pte.) Ltd. (since 23 Jul 2020)</p> <p>12. Xin Hui Shipping (Pte) Ltd (since 23 Jul 2020)</p> <p>13. Xin Ying Shipping (Pte) Ltd (since 23 Jul 2020)</p>	<p><b><u>Current Directorship Listed Company</u></b></p> <p>1. SBS Transit Ltd – (Appointed Director on 1 Jan 2024)</p> <p><b><u>Non-listed Company</u></b></p> <p>1. Kainos Innovation – Director (since 20 Jun 2022)</p> <p><b><u>Current Principal Commitment</u></b></p> <p>NIL</p> <p><b><u>Past 10 years Directorship</u></b></p> <p>NIL</p>

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**BOB TAN BENG HAI**  
**Chairman**  
**(Independent Non-Executive Director)**

**LEE SOK KOON**  
**(Independent Non-Executive Director)**

Working experience and occupations(s)  
during the past 10 years (cont'd)

***Current Principal Commitment***

1. SBS Transit Ltd – Chairman (since 2021)
2. CapitaLand Ascott Business Trust Management Pte Ltd<sup>#</sup> – Chairman (since 2019)
3. CapitaLand Ascott Trust Management Limited<sup>#</sup> – Chairman (since 2016)
4. Singapore Post Limited (since 2016)
5. Jurong Engineering Limited – Chairman (since 2005)
6. Sentosa Development Corporation – Chairman (since 2019)

***Past 10 years Directorship***

***Listed Company***

1. SMRT Corporation Ltd (Delisted on 31 Oct 2016) – Director (1 August 2006 to 17 Jul 2017), Chairman of Audit Committee and Member of Nominating Committee
2. CapitaMalls Asia Ltd – Director (1 Mar 2013 to 22 Jul 2014), Chairman of Audit Committee, Member of Finance and Budget Committee and Member of Risk Committee
3. Sembcorp Marine Ltd – Director (20 Apr 2015 to 28 Feb 2023)

***Non-Listed Company / Others***

1. SINGEX Holdings Pte. Ltd. – Chairman (28 Jun 2013 to 1 Jan 2021)
2. Institute of Technical Education – Chairman (1 Apr 2007 to 31 Dec 2019) Board member (1 Apr 1998 to 31 Mar 2007)
3. Inland Revenue Authority of Singapore – Board member (1 Sep 2013 to 31 Aug 2019)
4. Singapore Manufacturing Federation – Member of the Board of Governors (28 Jan 2014 to 12 Nov 2018)
5. Singapore LNG Corporation Pte Ltd – Chairman (15 Jun 2010 to 15 May 2018)
6. SMRT Trains Ltd – Director (20 May 2013 to 17 July 2017)
7. Singapore Golf Association – Board member (31 Mar 2006 to 11 Mar 2010), and President (11 Mar 2010 to 20 Jul 2016)

***Past 10 years Directorship***

***Non-listed Company / Others***

1. Singapore Arts School Ltd (22 Aug 2011 to 31 Jan 2020)
2. Invictus Group Pte Ltd (1 Jun 2018 to 21 Nov 2018)
3. The Singapore Island Country Club – Member of Finance and Investment Committee (5 Oct 2021 to 29 Sep 2023)

<sup>#</sup> CapitaLand Ascott Trust Management Limited is the manager of CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT). CapitaLand Ascott Business Trust Management Pte. Ltd. is the trustee-manager of CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CapitaLand Ascott Trust is a stapled group listed on the SGX-ST Mainboard comprising CapitaLand Ascott REIT and CapitaLand Ascott BT.

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**CHRISTINA LIM YUI HUNG**

**(Independent Non-Executive Director)**

**PATRICK DANIEL**

**(Independent Non-Executive Director)**

**YEO TENG CHUAN, EDWIN**

**(Independent Non-Executive Director)**

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**Other appointment**

1. Singapore Press Club Ltd. – President (since 9 Apr 2008)
2. Sentosa Golf Club – General Committee Member (since 1 Apr 2020)

**Current Principal Commitment**

Nil

**Past 10 years Directorship**

**Listed Company**

1. Sembcorp Marine Ltd. – Director (resigned on 28 Feb 2023 following merger with Keppel Offshore & Marine Limited)

**Non-listed Company**

1. XiHe Holdings Pte Ltd
2. XiHe Capital Pte Ltd
3. Equal-Ark Singapore Ltd – Director
4. MKC Holdings (Pte) Ltd – Director
5. Singapore University of Technology and Design – Director
6. SPH Jurong Property Pte Ltd – Director
7. SPH Toa Payoh Property Pte Ltd – Director
8. Straits Magazines Pte Ltd – Director
9. Straits Pacom Pte Ltd – Director
10. TP Ventures Pte Ltd – Director
11. Spread Analytics Pte Ltd – Director
12. SPH Media Ltd

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>BOB TAN BENG HAI</b> <b>Chairman</b> <b>(Independent Non-Executive Director)</b>	<b>LEE SOK KOON</b> <b>(Independent Non-Executive Director)</b>
Working experience and occupations(s) during the past 10 years (cont'd)	8. Tripartite Alliance for Fair and Progressive Employment Practices – Co-Chairman (May 2006 to 1 Sep 2015) 9. Sentosa Golf Club – General Committee Member and Captain (1 Apr 2005 to 31 Mar 2015) 10. Charity Council – Member (1 Mar 2009 to 28 Feb 2015) 11. National Wages Council – Member (Apr 2004 to Sep 2014) 12. Singapore National Employers Federation – Council member (1986 to 25 Sep 2014) and Vice President (Jun 1988 to 25 Sep 2014) 13. Singapore Business Federation – Council Member (7 Dec 2004 to 27 Jun 2014) and Honorary Treasurer (25 Jun 2008 to 1 Mar 2014) 14. SBF Holdings Pte Ltd – Director (10 Dec 2008 to 30 Apr 2014) 15. Bedrock Trust Pte. Ltd. – Director (1 Oct 2022 to 27 Oct 2023) 16. Ong Teng Cheong Labour Leadership Institute – Board Member (1 Apr 2002 to 31 Mar 2023)	
Shareholding interest in the listed issuer and its subsidiaries	NIL	NIL
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes or No)	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**CHRISTINA LIM YUI HUNG**

**(Independent Non-Executive Director)**

**PATRICK DANIEL**

**(Independent Non-Executive Director)**

**YEO TENG CHUAN, EDWIN**

**(Independent Non-Executive Director)**

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NIL

NIL

NIL

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No

No

No

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No

No

No

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Yes

Yes

Yes

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No

No

No

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# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>BOB TAN BENG HAI</b> <b>Chairman</b> <b>(Independent Non-Executive Director)</b>	<b>LEE SOK KOON</b> <b>(Independent Non-Executive Director)</b>
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**CHRISTINA LIM YUI HUNG**

**(Independent Non-Executive Director)**

**PATRICK DANIEL**

**(Independent Non-Executive Director)**

**YEO TENG CHUAN, EDWIN**

**(Independent Non-Executive Director)**

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No

No

No

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No

No

No

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No

No

No

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No

No

No

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No

No

No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>BOB TAN BENG HAI</b> <b>Chairman</b> <b>(Independent Non-Executive Director)</b>	<b>LEE SOK KOON</b> <b>(Independent Non-Executive Director)</b>
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,		
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		



# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**CHRISTINA LIM YUI HUNG**

**(Independent Non-Executive Director)**

**PATRICK DANIEL**

**(Independent Non-Executive Director)**

**YEO TENG CHUAN, EDWIN**

**(Independent Non-Executive Director)**

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No

No

No

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No

No

No

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No

No

No

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No

No

No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	<b>BOB TAN BENG HAI</b> <b>Chairman</b> <b>(Independent Non-Executive Director)</b>	<b>LEE SOK KOON</b> <b>(Independent Non-Executive Director)</b>
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

# ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

**CHRISTINA LIM YUI HUNG**

**(Independent Non-Executive Director)**

**PATRICK DANIEL**

**(Independent Non-Executive Director)**

**YEO TENG CHUAN, EDWIN**

**(Independent Non-Executive Director)**

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No

No

No

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**SBS TRANSIT LTD**

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199206653M)

**PROXY FORM  
ANNUAL GENERAL MEETING****IMPORTANT**

1. The Thirty-First Annual General Meeting (the "AGM") of the Company will be held physically ("Physical Meeting") and by electronic means ("Virtual Meeting").
2. CPF/SRS investors who intend to exercise the voting rights attached to their SBS Transit Ltd shares purchased using their CPF/SRS monies are requested to contact their respective CPF/SRS Approved Nominees.
3. By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 27 March 2024.
4. Please read the notes overleaf which contain instructions on, inter alia, the appointment of proxy(ies).

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No.)  
of \_\_\_\_\_ (Address)

being a member/members of SBS Transit Ltd (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email Address		

or failing the person, or either or both of the persons, referred to above at the commencement of the live voting at the Annual General Meeting (the "AGM" or "Meeting"), the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Thirty-First AGM to be held at the Auditorium of ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 on Thursday, 25 April 2024 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against or abstain from the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Resolutions	No. of Votes For <sup>(1)</sup>	No. of Votes Against <sup>(1)</sup>	No. of Votes Abstained <sup>(1)</sup>
<b>Ordinary Business</b>				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023			
2.	Declaration of Final Dividend for the financial year ended 31 December 2023			
3.	Approval of Directors' Fees amounting to S\$930,700 for financial year ended 31 December 2023			
4.	Approval of Directors' Fees of up to S\$990,000 for financial year ending 31 December 2024			
5.	Re-election of Mr Tan Beng Hai as a Director			
6.	Re-election of Ms Lee Sok Koon as a Director			
7.	Re-election of Dr Christina Lim Yui Hung as a Director			
8.	Re-election of Mr Patrick Daniel as a Director			
9.	Re-election of Mr Yeo Teng Chuan, Edwin as a Director			
10.	Re-appointment of Auditors and authorising the Directors to fix their remuneration			
<b>Special Business</b>				
11.	Authority to issue shares under the SBS Executive Share Scheme			
12.	Renewal of the Share Buyback Mandate			

<sup>(1)</sup> If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total Number of Shares Held in <sup>(Note 4)</sup> :	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) / Common Seal

**IMPORTANT : PLEASE READ NOTES OVERLEAF**

**NOTES:**

1. A proxy need not be a member of the Company. The Chairman of the Meeting, as proxy, need not be a member of the Company.
2. Where a member appoints two (2) proxies, he/she should specify the proportion of his/her shareholding to be represented by each proxy, failing which the nomination shall be deemed to be alternative.
3. A member, who is a Relevant intermediary entitled to attend the meeting and vote, is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different share or shares held by each member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.  
**"Relevant intermediary"** means:
  - (a) a banking corporation licensed under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
  - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
  - (c) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
4. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and shares registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, must be submitted in the following manner:
  - (a) If submitted by post, be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701; or
  - (b) If submitted by electronic mail, be sent to **agm2024@sbstransit.com.sg**; or
  - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST\_AGM2024**, in each case, by **10.00 a.m. on Monday, 22 April 2024**, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.
6. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it shall be executed either under its common seal or under the hand of any officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy, failing which the instrument may be treated as invalid.
7. CPF or SRS Investors who wish to vote at the AGM should approach their respective agent banks to submit their votes at least seven (7) working days before the date of the AGM (i.e. by 10.00 a.m. on Monday, 15 April 2024). CPF/SRS Investors should contact their respective agent banks for any queries they may have with regard to the appointment of proxy for the AGM.
8. The Company shall be entitled to reject an instrument appointing a proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy which has been lodged if the member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix  
postage  
stamp

**THE COMPANY SECRETARY**  
**SBS Transit Ltd**  
205 Braddell Road  
Singapore 579701

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.





**BY BUS**  
**BCA Academy**  
**(52061)**

Bus 13, 28, 73, 93, 105,  
129, 153, 155, 159

About a four-minute  
walk from the bus stop

**BY BUS**  
**ComfortDelGro Corporation**  
**(52069)**

Bus 13, 28, 73, 93, 105,  
129, 153, 155, 159

About a two-minute  
walk from the bus stop

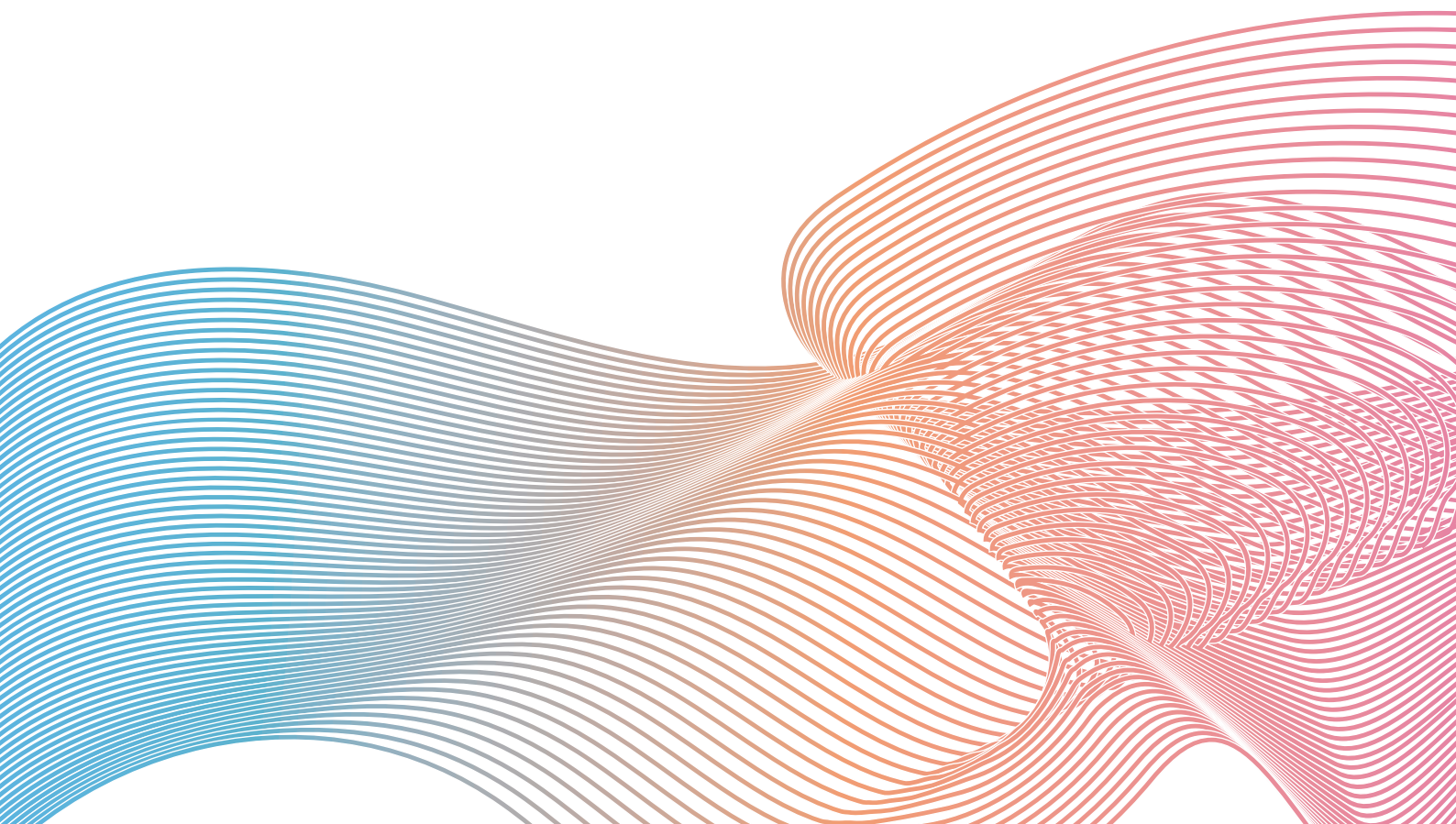
**PLEASE NOTE THAT THE THIRTY-FIRST ANNUAL GENERAL MEETING  
OF SBS TRANSIT LTD WILL BE HELD ON THURSDAY, 25 APRIL 2024,  
AT 10.00 A.M. VIA ELECTRONIC MEANS AND IN PERSON AT:**

**AUDITORIUM  
COMFORTDELGRO HEADQUARTERS  
205 BRADDELL ROAD  
SINGAPORE 579701**



**SBS Transit Ltd**

205 Braddell Road  
Singapore 579701  
Mainline (65) 6284 8866  
Facsimile (65) 6287 0311  
[www.sbstransit.com.sg](http://www.sbstransit.com.sg)  
Company Registration No. 199206653M



## **CIRCULAR TO SHAREHOLDERS DATED 27 MARCH 2024 (“Circular”)**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is circulated to the shareholders of SBS Transit Ltd (the “**Company**”) together with the annual report for the financial year ended 31 December 2023 (“**Annual Report 2023**”). Its purpose is to provide information on the proposed renewal of the Share Buyback Mandate (as defined herein) to be tabled at the Annual General Meeting (“**AGM**”) of the Company to be held on Thursday, 25 April 2024 at 10.00 a.m. at the Auditorium, ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701. The resolution proposed to be passed in relation to the proposed renewal of the Share Buyback Mandate is set out in the Notice of Annual General Meeting attached to the Annual Report 2023.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Circular with the Notice of Annual General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

The legal adviser appointed by the Company to advise it on the proposed renewal of the Share Buyback Mandate is Rubicon Law LLC.



### **SBS TRANSIT LTD**

(Company Registration Number: 199206653M)  
(Incorporated in the Republic of Singapore)

## **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE**

### **Important Dates and Times:**

Last date and time for lodgement of Proxy Form	:	Monday, 22 April 2024 at 10 a.m.
Date and time of Annual General Meeting	:	Thursday, 25 April 2024 at 10 a.m.
Place of Annual General Meeting	:	Auditorium ComfortDelGro Headquarters 205 Braddell Road Singapore 579701

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# TABLE OF CONTENTS

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<b>DEFINITIONS .....</b>	<b>3</b>
<b>1. INTRODUCTION.....</b>	<b>5</b>
<b>2. PROPOSED RENEWAL OF SHARE BUYBACK MANDATE .....</b>	<b>5</b>
<b>3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....</b>	<b>15</b>
<b>4. DIRECTORS' RECOMMENDATIONS.....</b>	<b>16</b>
<b>5. ANNUAL GENERAL MEETING.....</b>	<b>16</b>
<b>6. ACTIONS TO BE TAKEN BY SHAREHOLDERS .....</b>	<b>16</b>
<b>7. DIRECTORS' RESPONSIBILITY STATEMENT.....</b>	<b>16</b>
<b>8. DOCUMENTS FOR INSPECTION .....</b>	<b>17</b>

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# DEFINITIONS

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In this Circular, the following definitions apply throughout unless otherwise stated:

<b>"2023 AGM"</b>	:	The annual general meeting of the Company held on 27 April 2023
<b>"2023 Mandate"</b>	:	Has the meaning ascribed to it in paragraph 2.1 of this Circular
<b>"2024 AGM"</b>	:	The forthcoming annual general meeting of the Company to be held on 25 April 2024
<b>"ACRA"</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>"AGM"</b>	:	The annual general meeting of the Company
<b>"Approval Date"</b>	:	The date of the 2024 AGM at which the proposed renewal of the Share Buyback Mandate is to be approved
<b>"Audited Financial Statements"</b>	:	Has the meaning ascribed to it in paragraph 2.6 of this Circular
<b>"Average Closing Price"</b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular
<b>"Board"</b>	:	The Board of Directors of the Company for the time being
<b>"CDP"</b>	:	The Central Depository (Pte) Limited
<b>"Circular"</b>	:	This Circular to Shareholders dated 27 March 2024 in relation to the proposed renewal of the Share Buyback Mandate
<b>"Companies Act"</b>	:	The Companies Act 1967 of Singapore as amended, modified or supplemented from time to time
<b>"Company"</b>	:	SBS Transit Ltd
<b>"Constitution"</b>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<b>"Day of the making of the offer"</b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular
<b>"Director(s)"</b>	:	The director(s) of the Company for the time being
<b>"EPS"</b>	:	Earnings per Share
<b>"Group"</b>	:	The Company and its subsidiaries
<b>"Latest Practicable Date"</b>	:	1 March 2024, being the latest practicable date prior to the printing of this Circular
<b>"Listing Manual"</b> or <b>"Listing Rules"</b>	:	The listing manual of the SGX-ST, or the rules contained therein, as may be amended, modified or supplemented from time to time
<b>"Market Day"</b>	:	A day on which the SGX-ST is open for trading in securities
<b>"Market Purchases"</b>	:	Has the meaning ascribed to it in paragraph 2.3.3(a) of this Circular
<b>"Maximum Price"</b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular
<b>"Minister for Finance"</b>	:	The Minister for Finance of the Republic of Singapore for the time being
<b>"Off-Market Purchases"</b>	:	Has the meaning ascribed to it in paragraph 2.3.3(b) of this Circular
<b>"Related expenses"</b>	:	Has the meaning ascribed to it in paragraph 2.3.4 of this Circular
<b>"Relevant Period"</b>	:	The period commencing from the Approval Date and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier

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# DEFINITIONS

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<b>"Scheme"</b>	:	The SBS Executive Share Scheme adopted by the Company at its annual general meeting on 29 April 2021, the terms of which are set out in Annex A to the Circular dated 25 March 2021
<b>"SFA"</b>	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
<b>"SGX-ST"</b>	:	Singapore Exchange Securities Trading Limited
<b>"Share Buyback Mandate"</b>	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<b>"Share Purchase"</b>	:	The purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate
<b>"Shareholders"</b>	:	Registered holders of Shares except that where the registered holder is CDP, the term <b>"Shareholders"</b> in relation to Shares held by CDP shall mean the persons named as depositors in the Depository Register maintained by CDP and to whose securities accounts such Shares are credited
<b>"Shares"</b>	:	Ordinary shares in the share capital of the Company
<b>"SIC"</b>	:	Securities Industry Council
<b>"subsidiary holdings"</b>	:	Has the meaning ascribed to in under the Listing Manual
<b>"Substantial Shareholder"</b>	:	A Shareholder who has an interest in not less than five per cent (5%) of the issued Shares
<b>"S\$"</b>	:	Singapore dollars, the lawful currency of the Republic of Singapore
<b>"Take-over Code"</b>	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<b>"Treasury Shares"</b>	:	The Shares held in treasury by the Company
<b>"%" or "per cent"</b>	:	Percentage or per centum

The terms **"depositor"**, **"Depository Register"** and **"depository agent"** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term **"subsidiary"** shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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# LETTER TO SHAREHOLDERS

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## SBS TRANSIT LTD

(Company Registration Number 199206653M)  
(Incorporated in the Republic of Singapore)

### Board of Directors:

Mr. Bob Tan Beng Hai	Independent Non-Executive Chairman
Mr. Cheng Siak Kian	Non-Independent Non-Executive Deputy Chairman
Mr. Jeffrey Sim Vee Ming	Non-Independent Executive Director and Group Chief Executive Officer
Mr. Lim Tien Hock	Non-Independent Executive Director
Mr. Desmond Choo Pey Ching	Independent Non-Executive Director
Ms. Chua Mui Hoong	Independent Non-Executive Director
Mr. Patrick Daniel	Independent Non-Executive Director
Ms. Susan Kong Yim Pui	Non-Independent Non-Executive Director
Ms. Lee Sok Koon	Independent Non-Executive Director
Professor Lim Seh Chun	Independent Non-Executive Director
Dr. Christina Lim Yui Hung	Independent Non-Executive Director
Dr. Tan Kim Siew	Independent Non-Executive Director
Mr. Edwin Yeo Teng Chuan	Independent Non-Executive Director
Professor Yu Ching Man	Independent Non-Executive Director

### Registered Office:

205 Braddell Road  
Singapore 579701

**27 March 2024**

To: The Shareholders of SBS Transit Ltd

Dear Sir/Madam,

## THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

### 1. INTRODUCTION

- 1.1 The purpose of this Circular is to provide the Shareholders with information relating to, and to seek the approval of the Shareholders for the proposed renewal of the Share Buyback Mandate.
- 1.2 The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed, or reports contained in this Circular.

### 2. PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

#### 2.1 Background

The adoption of the Share Buyback Mandate was approved by the Shareholders at the 2023 AGM authorising the Directors to purchase or otherwise acquire its issued Shares on the terms of such mandate ("**2023 Mandate**"). The 2023 Mandate will expire on the date of the 2024 AGM. Accordingly, the Company proposes to seek the approval of Shareholders at the 2024 AGM for the renewal of the Share Buyback Mandate in respect of the purchase or acquisition by the Company of its issued Shares. If approved, the Share Buyback Mandate will take effect from the date of the 2024 AGM and continue in force until the date the next AGM is held or is required by law to be held, whichever is the earlier, unless prior thereto, Share Purchases are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting. It is intended that the Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

Any Share Purchase by the Company has to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Rules and such other laws and regulations as may for the time being be applicable.

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# LETTER TO SHAREHOLDERS

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## 2.2 Rationale

The Company proposes to seek Shareholders' approval for the renewal of the Share Buyback Mandate to give the Directors the flexibility to undertake Share Purchases at any time subject to market conditions, during the period that the Share Buyback Mandate is in force, with the objective of increasing Shareholders' value and to improve, *inter alia*, the return on equity of the Group and to facilitate the acquisition of Treasury Shares for the purpose of the Scheme.

A Share Purchase at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Shares purchased or acquired under the Share Buyback Mandate can also be held by the Company as Treasury Shares to satisfy the Company's obligations to furnish Shares to participants in the Scheme from time to time.

The Directors believe that the Share Buyback Mandate provides the Company with another mechanism to facilitate the return of surplus cash over and above its ordinary working capital requirements and possible investment needs of the Group in an expedient, effective and cost-efficient manner to Shareholders. Share Purchases will also provide the Directors with greater flexibility over the Company's share capital structure.

Shareholders can be assured that Share Purchases by the Company would be made in circumstances where it was considered to be in the best interests of the Company. The Directors will decide whether to effect the Share Purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. While the Share Buyback Mandate would authorise a Share Purchase up to the said ten per cent (10%) limit during the period described in paragraph 2.3 below, it should be noted that Share Purchases may not be carried out to the full ten per cent (10%) limit as authorised. The Directors do not propose to carry out Share Purchases to an extent that would, or in circumstances that might, result in a material adverse effect on the listing status of the Shares on the SGX-ST, liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

## 2.3 The Authority and Limits of the Share Buyback Mandate

The authority for and limitations placed on Share Purchases by the Company under the Share Buyback Mandate, if renewed at the 2024 AGM, are the same as the 2023 Mandate previously approved by the Shareholders at the 2023 AGM. These are summarised below:

### 2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

The total number of Share Purchases during the Relevant Period is limited to that number of Shares representing not more than **ten per cent (10%)** of the total number of issued Shares as at the Approval Date (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 amount of issued Shares as altered). For the purposes of calculating the percentage of issued Shares above, any of the Shares which are held as Treasury Shares and subsidiary holdings will be disregarded.

**For illustrative purposes only**, based on 311,965,641 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the 2024 AGM, and that the Company does not reduce its share capital, not more than 31,196,564 Shares (representing ten per cent (10%) of the issued and paid-up Shares (excluding Treasury Shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the Relevant Period.



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# LETTER TO SHAREHOLDERS

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## 2.3.2 **Duration of Authority**

Share Purchases may be made, at any time and from time to time, on and from the Approval Date up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the Share Purchases pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by the Shareholders in general meeting.

## 2.3.3 **Manner of Purchase of Shares**

Share Purchases may be made by way of, *inter alia*:

- (a) 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 (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) 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.

The Directors may impose such terms and conditions, which are not inconsistent with the Share Buyback Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (i) offers for the Share Purchases shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
  - (A) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
  - (B) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Rules provide that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information required under the Companies Act:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed Share Purchases;
- (4) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;

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# LETTER TO SHAREHOLDERS

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- (5) whether the Share Purchases, if made, could have any effect on the listing of the Shares on the SGX-ST;
- (6) details of any Share Purchases made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

## 2.3.4 **Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses (collectively, "**Related expenses**")) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined hereinafter); and
- (b) 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 (as defined hereinafter),

(the "**Maximum Price**") in either case, excluding Related expenses of the purchase.

For the above purposes:

**"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, 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, 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.

## 2.4 **STATUS OF PURCHASED SHARES UNDER THE SHARE BUYBACK MANDATE**

### 2.4.1 **Status of Purchased Shares**

A Share purchased or acquired by the Company is, unless held as a Treasury Share in accordance with the Companies Act, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire and the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company.

### 2.4.2 **Purchased Shares Held as Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

- (a) Maximum holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent (10%) of the total number of issued Shares at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

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# LETTER TO SHAREHOLDERS

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(b) Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus Shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a smaller or larger amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company may at any time but subject always to the Take-over Code:

- (i) sell the Treasury Shares for cash;
- (ii) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme, whether for employees, Directors or other persons;
- (iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares; or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such Treasury Shares, the purpose of such sale, transfer, cancellation and/or use of such Treasury Shares, the number of Treasury Shares which have been sold, transferred, cancelled and/or used, the number of Treasury Shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of Treasury Shares against the total number of issued shares (of the same class as the Treasury Shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

As at the Latest Practicable Date, the Company does not hold any of its Shares as Treasury Shares.

## 2.5 **Source of Funds for Share Buyback**

The Company may only apply funds for the purchase or acquisition of the Shares in accordance with the Constitution and the applicable laws in Singapore.

Pursuant to the Constitution and the Companies Act, any payment made by the Company in consideration for the purchase or acquisition of its own Shares may only be made out of the Company's capital or profits so long as the Company is solvent.

The Company may use internal and external sources of funds to finance the Company's Share Purchases. The Directors will only make Share Purchases in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

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# LETTER TO SHAREHOLDERS

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## 2.6 Financial Effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from the Share Purchases will depend on, *inter alia*, the number of Shares purchased or acquired, whether such purchase or acquisition is made out of capital and/or profits of the Company, the consideration paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as Treasury Shares.

The financial effects on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2023 (the "**Audited Financial Statements**"), are based on the following principal assumptions:

- (a) Purchase or acquisition out of capital and/or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital and/or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

- (b) Maximum Price paid for Shares purchased or acquired

Based on 311,965,641 issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, the purchase or acquisition by the Company of ten per cent (10%) of such Shares will result in the purchase or acquisition of 31,196,564 Shares.

Assuming that the Company purchases or acquires the 31,196,564 Shares at the Maximum Price, the maximum amount of funds required is approximately:

- (i) in the case of Market Purchases of Shares, S\$87,622,344.84 based on S\$2.810 for one (1) Share (being the price equivalent to five per cent above the Average Closing Price of the Shares traded on the SGX-ST over the last five (5) consecutive Market Days immediately preceding the Latest Practicable Date); and
- (ii) in the case of Off-Market Purchases of Shares, S\$100,172,167.00 based on S\$3.211 for one (1) Share (being the price equivalent to 20% above the Average Closing Price of the Shares traded on the SGX-ST over the last five (5) consecutive Market Days immediately preceding the Latest Practicable Date).

**For illustrative purposes only**, on the basis of the assumptions set out above as well as the following:

- (A) the Share Purchases had taken place on 1 January 2023;
- (B) there was no issuance of Shares after the Latest Practicable Date;
- (C) the Share Purchases are assumed to be financed by internal funding of the Group; and
- (D) Related expenses incurred for the Share Purchases are assumed to be insignificant and have been disregarded for the purpose of computing the financial effects,

# LETTER TO SHAREHOLDERS

the financial effects on the Audited Financial Statements are set out below.

	Group			Company		
	Before Share Purchase	After Share Purchase (By way of Market Purchases)	After Share Purchase (By way of Off-Market Purchases)	Before Share Purchase	After Share Purchase (By way of Market Purchases)	After Share Purchase (By way of Off-Market Purchases)
<b>As at 31 December 2023</b>						
Profit after income tax attributable to owners of the Company (S\$'000)	69,076	69,076	69,076	70,963	70,963	70,963
Share capital (S\$'000)	100,783	100,783	100,783	100,783	100,783	100,783
Other reserves <sup>(1)</sup> (S\$'000)	40,861	40,861	40,861	41,283	41,283	41,283
Treasury shares (S\$'000)	-	(87,662)	(100,172)	-	(87,662)	(100,172)
Accumulated profits (S\$'000)	540,440	540,440	540,440	872,059	872,059	872,059
Perpetual capital securities (S\$'000)	-	-	-	-	-	-
Non-controlling interests (S\$'000)	-	-	-	-	-	-
Shareholders' funds <sup>(2)</sup> (S\$'000)	682,084	594,422	581,912	1,014,125	926,463	913,953
NTA (S\$'000) <sup>(3)</sup>	682,084	594,422	581,912	1,014,125	926,463	913,953
Current assets (S\$'000)	796,319	708,657	696,147	605,314	517,652	505,142
Current liabilities (S\$'000)	412,303	412,303	412,303	283,909	283,909	283,909
Total borrowings (S\$'000)	-	-	-	-	-	-
Number of issued Shares ('000)	311,966	280,769	280,769	311,966	280,769	280,769
Weighted average number of Shares ('000)	311,924	280,727	280,727	311,924	280,727	280,727
<b>Financial ratios</b>						
NTA/Share (cents) <sup>(4)</sup>	219	212	207	325	330	326
Gearing ratio	0%	0%	0%	0%	0%	0%
Current ratio (times)	1.93	1.72	1.69	2.13	1.82	1.78
EPS (cents)	22.15	24.61	24.61	22.75	25.28	25.28

**Notes:**

- (1) Other reserves include general reserve, capital reserve.
- (2) Shareholders' funds mean the aggregate amounts of share capital, other reserves and accumulated profits.
- (3) NTA means total assets less total liabilities.
- (4) NTA/Share is computed based on NTA divided by the number of issued shares.

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# LETTER TO SHAREHOLDERS

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**Shareholders should note that the pro forma financial effects set out above are for illustrative purposes only (based on the aforementioned assumptions). In particular, it is important to note that the above pro forma financial analysis is based on the historical numbers for the financial year ended 31 December 2023 and is not necessarily representative of future financial performance.**

**It should be noted that although the Share Buyback Mandate would authorise the Company to purchase or acquire up to ten per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent (10%) of the issued Shares. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.**

## 2.7 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications or who may be subject to tax outside Singapore should consult their own professional advisers.

## 2.8 Listing Rules

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares, and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe, which includes details such as the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, the total consideration paid for the Shares and the number of issued Shares after purchase. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any Share Purchases at any time after a price sensitive development has occurred or has been the subject of consideration and/or a decision of the Board, until the price sensitive information has been publicly announced. In particular, in line with Rule 1207(19) of the Listing Manual, the Company will not deal with any Shares during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.

The Listing Manual requires a listed company to ensure that at least ten per cent (10%) of any class of its listed securities must be held by public Shareholders. As at the Latest Practicable Date, the Company has 311,965,641 Shares, and 79,735,629 representing approximately 25.56% of the total issued Shares are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake Share Purchases through Market Purchases up to the full 10% limit without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading and its listing status.

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# LETTER TO SHAREHOLDERS

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## 2.9 Take-Over Obligations pursuant to the Take-over Code

Appendix 2 to the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

(a) **Obligation to Make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

(b) **Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert:

- (i) the following companies:
  - (A) a company;
  - (B) the parent company of (A);
  - (C) the subsidiaries of (A);
  - (D) the fellow subsidiaries of (A);
  - (E) the associated companies of any of (A), (B), (C) or (D);
  - (F) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
  - (G) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of:
  - (A) the adviser and the persons controlling, controlled by or under the same control as the adviser; and

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# LETTER TO SHAREHOLDERS

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- (B) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners;
- (viii) the following persons and entities:
  - (A) an individual;
  - (B) the close relatives of (A);
  - (C) the related trusts of (A);
  - (D) any person who is accustomed to act in accordance with the instructions of (A); and
  - (E) companies controlled by any of (A), (B), (C) or (D); and
- (ix) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 to the Take-over Code.

(c) **Effect and Application of Rule 14 and Appendix 2 to the Take-over Code**

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties, being in aggregate less than thirty per cent (30%) before such purchase or acquisition, would increase to thirty per cent (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one (1) per cent in any period of six (6) months.

Under Appendix 2 to the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent (30%) or more, or, if such Shareholder holds between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Based on the interests of the Substantial Shareholder(s) in Shares recorded in the register of Substantial Shareholder(s) maintained by the Company as at the Latest Practicable Date, none of the Substantial Shareholder(s) would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate of the maximum limit of ten per cent (10%) of its total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.



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# LETTER TO SHAREHOLDERS

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**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/ or their professional advisers at the earliest opportunity.**

## 2.10 Shares Purchased by the Company

The Company has not made any buybacks of its Shares in the twelve (12) months preceding the Latest Practicable Date.

## 2.11 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA. The Company shall also lodge a notice of purchase or acquisition with ACRA within thirty (30) days of a Share Purchase. Such notification is to include details such as the date of the Share Purchase, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the Share Purchase, the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased out of the profits or the capital of the Company, and such other particulars that might be prescribed.

## 3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company in Shares of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, were as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
<b>Directors</b>				
Mr. Bob Tan Beng Hai	–	–	–	–
Mr. Cheng Siak Kian	7,500	0.0024	–	–
Mr. Jeffrey Sim Vee Ming	6,250	0.0020	–	–
Mr. Lim Tien Hock	–	–	–	–
Mr. Desmond Choo Pey Ching	–	–	–	–
Ms. Chua Mui Hoong	–	–	–	–
Mr. Patrick Daniel	–	–	–	–
Ms. Susan Kong Yim Pui	–	–	–	–
Ms. Lee Sok Koon	–	–	–	–
Professor Lim Seh Chun	–	–	–	–
Dr. Christina Lim Yui Hung	–	–	–	–
Dr. Tan Kim Siew	–	–	–	–
Mr. Edwin Yeo Teng Chuan	–	–	–	–
Professor Yu Ching Man	–	–	–	–
<b>Substantial Shareholder(s)</b>				
Company Name	Number of Shares	% of total issued Shares <sup>(1)</sup>	Number of Shares	% of total issued Shares <sup>(1)</sup>
ComfortDelGro Corporation Limited	232,125,512	74.41	–	–

**Note:**

<sup>(1)</sup> The percentage is calculated based on 311,965,641 issued Shares of the Company as at the Latest Practicable Date.

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# LETTER TO SHAREHOLDERS

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The interests of Directors of the Company in the Shares granted under the Scheme as at the Latest Practicable Date are as follows:

<b>Name of participant</b>	<b>Shares granted during FY2023 (Shares awarded to be vested over 4-year period)</b>	<b>Aggregate Shares granted since commencement of the Scheme to end of FY2023</b>	<b>Aggregate Shares vested since commencement of the Scheme to end of FY2023</b>	<b>Aggregate Shares outstanding as at end of FY2023 under review (unvested Shares)</b>
Mr. Cheng Siak Kian	80,000	110,000	7,500	102,500
Mr. Jeffrey Sim Vee Ming	50,000	75,000	6,250	68,750
Mr. Lim Tien Hock	35,000	35,000	–	35,000

## 4. DIRECTORS' RECOMMENDATIONS

Having fully considered, *inter alia*, the terms and rationale of the Share Buyback Mandate, the Board believes that the Share Buyback Mandate is in the best interests of the Company and its Shareholders. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 12 in relation to the Share Buyback Mandate to be proposed at the forthcoming 2024 AGM.

## 5. ANNUAL GENERAL MEETING

The 2024 AGM, notice of which is set out in the Annual Report, will be held on Thursday, 25 April 2024 at 10 a.m., at the Auditorium of ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701 for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of the AGM.

## 6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the 2024 AGM and wishes to appoint a proxy to attend and vote in his place or on his behalf, he should complete, sign and return the proxy form appended in the Annual Report in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 205 Braddell Road, Singapore 579701 not less than seventy-two (72) hours before the time appointed for holding the 2024 AGM.

The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the 2024 AGM if he subsequently wishes to do so. In such an event, the proxy form shall be deemed to be revoked.

A depositor shall not be regarded as a Shareholder entitled to attend the 2024 AGM and to speak and vote at the 2024 AGM unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP at least seventy-two (72) hours before the AGM.

## 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

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# LETTER TO SHAREHOLDERS

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## 8. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 205 Braddell Road, Singapore 579701 during normal business hours from the date of this Circular up to and including the date of the 2024 AGM:

- (a) the Constitution; and
- (b) the Annual Report of the Company for the financial year ended 31 December 2023.

Yours faithfully  
For and on behalf of the Board of Directors of  
**SBS TRANSIT LTD**

**Bob Tan Beng Hai**  
Chairman

**27 March 2024**

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