

SBS TRANSIT LTD

Minutes of the Twenty-Sixth Annual General Meeting (“AGM”) of SBS Transit Ltd (“Company”) held on Thursday, 25 April 2019 at 10.00 a.m. at the Auditorium, Singapore Chinese Cultural Centre, 1 Straits Boulevard, Singapore 018906

Present**Board of Directors:**

Mr Lim Jit Poh	:	Chairman
Mr Yang Ban Seng	:	Executive Deputy Chairman & CEO (EDC/CEO)
Mr John De Payva	:	Director, Lead Independent Director
Ms Kong Yim Pui, Susan	:	Director
Ms Lee Sok Koon	:	Director
Prof Lim Seh Chun	:	Director
Mr Lim Siang Hoe Benny	:	Director
Mr Wee Siew Kim	:	Director
Prof Yu Ching Man	:	Director

Key Management:

Mr Tan Eng Kok, Ivan	:	SVP, Head of Bus
Mr Yeo See Peng	:	SVP, Head Bus Support
Mr Pang Fui Eng, Ivan	:	SVP, Bus Engineering
Mr Leong Yim Sing	:	SVP, Head of Rail
Mr Goei Beng Guan, Alex	:	CEO, Downtown Line
Ms Chew Kum Ee	:	Chief Financial Officer (CFO)
Ms Tammy Tan I-Lin	:	SVP, Corporate Communications
Ms Tan Wee Eng, Angie	:	VP(SG), Information Technology
Mr Leow Chee Yen, Don	:	VP(SG), Human Resources
Mr Choo Peng Yen	:	Group Chief Transformation Officer, Group Chief Investor Relations Officer, ComfortDelGro Group
Mr Chong Yew Fui, Adrian	:	Group Chief Internal Audit Officer, ComfortDelGro Group
Mr Jackson Chia	:	Group Chief Risk & Sustainability Officer, ComfortDelGro Group
Ms Chan Wan Tak, Wendy	:	Joint Company Secretary
Mr Yeo Tee Yeok, Edwin	:	Joint Company Secretary

Shareholders/Proxies/Others:

As per Attendance List.

Commencement of Meeting

Chairman took the Chair and called the Meeting to order after having ascertained that a quorum was present.

Chairman said that the Notice of the AGM dated 26 March 2019 ("Notice") had been sent to all Shareholders with the Annual Report in digital format posted on the Company's website on the same day. The Notice was also published in The Business Times on 26 March 2019. With the permission of the Meeting, Chairman took the Notice as read.

Chairman informed the Meeting that all motions at the Meeting would be put to vote by way of a poll. The polling would be conducted in a paperless manner using a wireless hand held device.

Chairman then handed the Meeting to the Joint Company Secretary, Ms Chan Wan Tak, Wendy, to take the Shareholders through the electronic poll voting process. A short presentation was given by BoardRoom Corporate & Advisory Service Pte Ltd, the provider of the electronic poll voting service, to explain the voting process.

The Joint Company Secretary then invited the Company's Chief Financial Officer (CFO), Ms Chew Kum Ee, to present a summary of the financial performance of SBS Transit Ltd for FY2018 (see **Annex A**). The Joint Company Secretary said that there would be no questions taken on the presentation.

After the presentation, the Joint Company Secretary handed the Meeting back to the Chairman.

Chairman said that the minutes of the Meeting would be posted on the Company's website in compliance with the Code of Corporate Governance 2018 and consequently the names of shareholders asking questions would be recorded in the minutes uploaded to the website. Shareholders' consent has been obtained for this purpose pursuant to the Company's Constitution.

Chairman then delivered his AGM Address (Transcript of Chairman's AGM Address is attached in **Annex B**) and proceeded with the business of the Meeting.

Item 1: Adoption of Audited Financial Statements, Directors' Statement and Auditors' Report

Chairman said that the first item on the Agenda was to receive and adopt the Audited Financial Statements for the Financial Year ended 31 December 2018 together with the Directors' Statement and Auditors' Report. He said that before proceeding with the Resolution, the Directors would be pleased to answer any questions that Shareholders might have relating to the Audited Financial Statements or the Directors' Statement.

Ms Kok Chiew Sia asked whether, given the improved cash flow and lower Capital Expenditure, the Company would consider declaring more interim dividends regularly over the course of the year instead of the current practice of declaring an interim dividend after the first half of the year and a final dividend at the end of the year. Chairman said that the Company would not consider deviating from the current practice which is consistent with the practice of many other companies. He added that one should not assume that the financial performance would be always the same as the previous year as the Company faced intense competition especially with respect to the Bus Contracting Model.

Mr Tay Qi Rui asked for the percentage of leasable spaces at Downtown Line (DTL) that had been leased out with a minimum of one-year tenure. Chairman said that such detail was not immediately available since some leases could be less than one year. He said Management would look into this and respond to him separately. EDC/CEO clarified that the overall occupancy rate for DTL's commercial space was about 80% while the Northeast Line (NEL) had full occupancy.

Responding to Mr Tay Qi Rui's query on DTL ridership, EDC/CEO said that the ridership required for DTL to break even was 650,000 per day while the ridership as at the end of last year was about 450,000 per day. He said that the ridership had continued to improve over the past quarter.

Responding to Mr Tay Qi Rui's query regarding the operating profits of NEL and the Sengkang/Punggol Light Rail System (SPLRT), Chairman said that it was not wise to divulge such information for competitive reasons. In response to Mr Tay Qi Rui's query regarding the amount of incentives received for the Bus Business in FY2018, Chairman said that the information was available but it would not be advisable to reveal such information due to the sensitivities involved.

Mr Seow Yin Loong asked about the Company's plans in response to the increased competition under the Bus Contracting Model (BCM) especially with the entry of new foreign operators. Chairman said that the Government implemented the BCM with the specific intent to inject competition into the public bus transport industry. As a result, bus operators would have to compete for Bus Packages through a competitive tender process under which the tenderers would be evaluated first on the basis of quality and then on price. He said that having the lowest price bid did not guarantee a contract award. EDC/CEO added that the Company won the Bukit Merah Bus Package even though our bid was not the lowest and this was likely attributed to the Company's quality proposal. He said that Management would continue to leverage on the Company's good track record, demonstrate its deep understanding of the operational environment, and to continue to offer innovative services as part of the tender proposals.

Responding to Mr Peter Lum's query regarding the breakdown of the market share among the various Bus Operators in Singapore, EDC/CEO said that, in terms of the number of bus services operated, the Company's market share

was 60%, while SMRT's was 25%, and Tower Transit and Go-Ahead had market shares of about 8% and 7% respectively.

Replying to Mr Peter Lum's query regarding the Company's lease of buses to the Land Transport Authority (LTA) under the BCM, EDC/CEO said that about 80% of the buses used by the Company were owned by the Company and leased to the LTA. Under this arrangement, LTA would pay the Company a Bus Availability Fee for the lease of the buses. LTA would be responsible for their replacement when these buses reach the end of their statutory life-span. EDC/CEO added that the bulk of revenue for the Bus Business was derived from the Service Fees received from the LTA to operate the bus services, while the balance revenue such as Bus Availability Fee, Depot Availability Fee and other non-fare revenue constituted about 20% of the total bus revenue.

Mr Chiang Kuo Chiang asked about the Company's plan for the Retained Earnings accumulated over the past years. Chairman said that he was aware that Shareholders would wish for the Company to distribute more dividends. He said however that this was not a situation where the Company had excess cash as there would be Capital Expenditure required in the amount of about \$25 million per year over the next few years. Furthermore, there was no guarantee that the Company would continue to enjoy a large market share for the Bus Business given the highly regulated and competitive environment. As such, it was better to exercise prudence and raise the dividend payout only if it was commercially sustainable to do so.

Mr Sim Wee Yang asked if there was any performance incentive in respect of the NEL under the New Rail Financing Framework (NRFF). EDC/CEO said that there was no performance incentive under the NRFF. He clarified that under the NRFF, the revenue risk and profits were shared between the Company and the LTA under a "cap and collar" mechanism.

Responding to Mr Sim Wee Yang's query regarding the shortfall in DTL ridership, EDC/CEO said that ridership would take time to build up. He said that ridership had increased by about 60% since the DTL became fully operational in October 2017. He added that the housing development plans in the areas along the DTL as well as MRT fares were factors that would contribute to higher ridership volume. Chairman said that with the Government's "car-lite" policy, overall ridership for public transportation would potentially increase over time. However, ridership for each MRT line could be diluted with the expansion of the MRT network in the longer term, unless Singapore's population increased significantly. In response to Mr Sim Wee Yang's comment that there was limited time for the DTL to achieve break-even, Chairman said that it was thus very important for the Company to exercise prudence given the challenging business conditions.

Mr Sim Wee Yang asked whether the increase in the staff strength for Bus Captains (BCs) was due to the shuttle services provided for the "Early Closure Late Opening" (ECLO) of the MRT stations on North-South and East-West Line. EDC/CEO said that the Company did not specifically recruit BCs to operate the shuttle services as existing BCs could be re-deployed for that purpose. In response to Mr Sim Wee Yang's further question as to whether

the Company planned to recruit more BCs, EDC/CEO said that it would depend on whether the Company won more Bus Packages.

As there were no further questions, Chairman requested Shareholders to propose and second the following Resolution:

"That the Audited Financial Statements for the Financial Year ended 31 December 2018 together with the Directors' Statement and Auditors' Report submitted to this Meeting be adopted."

Mr Chong Chor Thutt proposed the Resolution.

Mr Sim Wee Yang seconded the Resolution.

The Resolution was duly proposed and seconded.

Chairman said that he had been appointed as proxy for several Shareholders to vote on the motions in the Agenda. Hence, he would be voting for and against the motions in accordance with the instructions as stated in the proxy forms received by the Company.

The Resolution was put to the vote. There were 252,715,160 votes representing 100.00% in favour of the Resolution and 5,900 votes or 0.00% against the Resolution.

Chairman declared the Resolution duly carried.

Item 2: Declaration of Final Dividend

Chairman said that Item 2 of the Agenda was to declare a final dividend. Before proposing the Resolution, Chairman asked if there were any questions from Shareholders.

As there were no questions, Chairman requested Shareholders to propose and second the following Resolution:

"That a tax-exempt one-tier final dividend of 7.1 cents per ordinary share in respect of the financial year ended 31 December 2018, as proposed by the Board of Directors be paid on 13 May 2019 to members whose names appear on the Register of Members as at 5.00 p.m. on 6 May 2019."

Mr Ou Yang Yan Te proposed the Resolution.

Mr Lee Hin Mun seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 252,938,460 votes representing 100.00% in favour of the Resolution and 9,600 votes or 0.00% against the Resolution.

Chairman declared the Resolution duly carried.

Item 3: Directors' Fees

Chairman said that Item 3 of the Agenda was to approve Directors' Fees. Before proposing the Resolution, Chairman asked if there were any questions from the Shareholders.

As there were no questions, Chairman requested Shareholders to propose and second the following Resolution:

"That the amount of \$507,732 proposed as Directors' Fees for the Financial Year ended 31 December 2018 be approved."

Mr Chong Chor Thutt proposed the Resolution.

Mr Lee Woon Yin seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 252,106,660 votes representing 99.98% in favour of the Resolution and 58,700 votes or 0.02% against the Resolution.

Chairman declared the Resolution duly carried.

Item 4: Re-election of Mr John De Payva as a Director

Chairman said that before proceeding with the next agenda item, he wished to inform that as part of the director renewal process Mr Wee Siew Kim would retire at the conclusion of this AGM. Chairman expressed his gratitude to Mr Wee Siew Kim who had been a Director of the Company since 2003. He was Chairman of the Audit and Risk Committee since 2003 and a member of the Service Quality Committee since 2006. Chairman placed on record the Company's appreciation to Mr Wee Siew Kim for his long and dedicated service to the Company.

Returning to the Agenda, Chairman said that pursuant to Regulation 100 of the Company's Constitution, three Directors would retire by rotation at the Meeting. They were Mr John De Payva, Professor Lim Seh Chun and Mr Wee Siew Kim.

Chairman said that pursuant to Regulation 106 of the Company's Constitution, two Directors would retire at this Meeting. They were Mr Lim Siang Hoe, Benny and Professor Yu Ching Man.

Chairman said that the retiring Directors had offered themselves for re-election, except for Mr Wee Siew Kim.

Chairman said that Item 4 of the Agenda was to re-elect Mr John De Payva as a Director of the Company.

As there were no questions, Chairman requested Shareholders to propose and second the following Resolution:

"That Mr John De Payva who retires at this AGM be re-elected a Director of the Company."

Mr Linsell Lim proposed the Resolution.

Ms Tan Suat Kiau seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 252,102,560 votes representing 99.99% in favour of the Resolution and 25,400 votes or 0.01% against the Resolution.

Chairman declared the Resolution duly carried.

Item 5: Re-election of Professor Lim Seh Chun as a Director

Chairman said that Item 5 of the Agenda was to re-elect Professor Lim Seh Chun as a Director of the Company.

As there were no questions, Chairman requested Shareholders to propose and second the following Resolution:

"That Professor Lim Seh Chun who retires at this AGM be re-elected a Director of the Company."

Mr Linsell Lim proposed the Resolution.

Mr Ou Yang Yan Te seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 252,143,660 votes representing 99.99% in favour of the Resolution and 37,000 votes or 0.01% against the Resolution.

Chairman declared the Resolution duly carried.

Item 6: Retirement of Mr Wee Siew Kim as a Director

Chairman said that Item 6 of the Agenda was to note the retirement of Mr Wee Siew Kim as a Director of the Company, as he was not seeking re-election.

The retirement of Mr Wee Siew Kim as Director of the Company was noted.

Item 7: Re-election of Mr Lim Siang Hoe, Benny as a Director

Chairman said that Item 7 of the Agenda was to re-elect Mr Lim Siang Hoe, Benny as a Director of the Company.

As there were no questions, Chairman requested Shareholders to propose and second the following Resolution:

“That Mr Lim Siang Hoe, Benny who retires at this AGM be re-elected a Director of the Company.”

Mr Tan Seet Joo proposed the Resolution.

Mr Kam Peng San Andrew seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 251,940,360 votes representing 99.99% in favour of the Resolution and 22,800 votes or 0.01% against the Resolution.

Chairman declared the Resolution duly carried.

Item 8: Re-election of Professor Yu Ching Man as a Director

Chairman said that Item 8 of the Agenda was to re-elect Professor Yu Ching Man as a Director of the Company.

As there were no questions, Chairman requested Shareholders to propose and second the following Resolution:

“That Professor Yu Ching Man who retires at this AGM be re-elected a Director of the Company.”

Mr Linsell Lim proposed the Resolution.

Mr Chong Chor Thutt seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 251,823,560 votes representing 99.98% in favour of the Resolution and 45,400 votes or 0.02% against the Resolution.

Chairman declared the Resolution duly carried.

Item 9: Re-appointment of Auditors

Chairman said that Item 9 of the Agenda was to re-appoint the Auditors. Messrs Deloitte & Touche LLP, the Auditors of the Company, had expressed their willingness to accept re-appointment.

Responding to Ms Kok Chiew Sia's query on the appointment of Auditors, Chairman said that Deloitte & Touche LLP had been Auditors of the Company since 2003 with the Audit Partner in charge of auditing the Company changed every five years. He said that he was not in favour of changing the Auditors solely for the sake of change, and that the Company was happy to have Deloitte & Touche LLP continue as Auditors as long as the firm continued to provide good service at a reasonable rate.

As there were no further questions, Chairman requested Shareholders to propose and second the following Resolution:

"That Messrs Deloitte & Touche LLP be re-appointed Auditors of the Company until the next Annual General Meeting at a fee to be agreed between the Directors and Auditors."

Mr Linsell Lim proposed the Resolution.

Mr Chong Kim Leong seconded the Resolution.

The Resolution was duly proposed and seconded.

The Resolution was put to the vote. There were 251,896,760 votes representing 99.97% in favour of the Resolution and 73,000 votes or 0.03% against the Resolution.

Chairman declared the Resolution duly carried.

Closure of Meeting

With the Agenda for the Meeting fully dealt with, Chairman declared the Meeting closed at 11.10 a.m. He thanked all Shareholders for their attendance and support and invited them to refreshments served at the reception area outside the Auditorium.

Certified as a correct record of the proceedings of Meeting.



Lim Jit Poh
Chairman