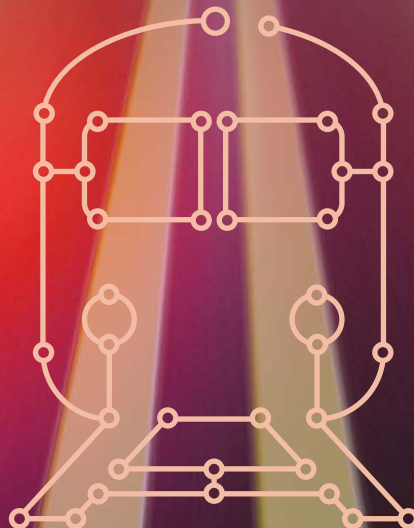


GOING THE DISTANCE

ANNUAL
REPORT
2021



OUR VISION

OUR MISSION

MOVING PEOPLE IN A SAFE, RELIABLE AND AFFORDABLE WAY.

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.

SBS Transit

71025

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WEAR BUMP CAP



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

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JOINT STATEMENT BY CHAIRMAN & CEO

THIS MARKS CHAIRMAN BOB TAN'S MAIDEN STATEMENT. IT IS ALSO THE FIRST TIME SBS TRANSIT IS ISSUING A JOINT CHAIRMAN AND CEO STATEMENT.

//

WE SPENT 2021
CONSOLIDATING OUR
STRENGTHS,
CHARTING NEW
AREAS OF FOCUS
AND EMBRACING
NEW TECHNOLOGIES.

//



CHENG SIAK KIAN
CHIEF EXECUTIVE OFFICER

BOB TAN BENG HAI
CHAIRMAN

INTRODUCTION

Up to one-third of people in some of the biggest cities in the world have stopped using public transport because of the ongoing COVID-19 pandemic¹. Whether they will ever get back on board buses and trains is difficult to predict, but according to a global survey by transport app Moovit, which looked into the travel habits of people in 104 cities across 28 countries, lockdowns, the rise of remote working, and stay-home orders have all meant a reduction in the volume of people commuting.

SBS Transit, Singapore's dominant public transport operator, has not been spared. We saw lower ridership as people continued to work from home, nightlife remained non-existent, and COVID-19 restrictions remained in force. But we did not sit idly by. We spent 2021 consolidating our strengths, charting new areas of focus and embracing new technologies.

PROTECTING OUR PEOPLE AND OUR PASSENGERS IN A PANDEMIC

As the pandemic continued unfettered, we are mindful of the duty of care we owe towards our people, in particular, our staff on the frontline who face greater risks of exposure to the COVID-19 virus.

Working with the Land Transport Authority (LTA), public transport workers were among the first groups in January 2021 to receive the vaccine under the COVID-19 national vaccination strategy. We actively encouraged our people to receive the vaccine and 99% of our Bus Captains (BCs) have been fully vaccinated.

Unfortunately, at the height of the pandemic in August 2021, six of our bus interchanges - Bishan, Boon Lay, Clementi, Sengkang, Tampines and Toa Payoh - became COVID-19 clusters with some 2,000 staff affected. Having been vaccinated, they largely displayed no or mild symptoms as they served their quarantine or stay-home notice.

As new variants like Delta and Omicron became dominant, we further tightened our



Safe Management Measures to minimise infection at the workplace. Mask-on and mask-off areas such as dining and resting corners were segregated. In mask-off areas, employees could only carry out their activities singly with a no-talking policy in force. High-touch points such as staff washrooms were also cleaned and disinfected more regularly while high-efficiency particulate air purifiers were installed in the staff areas. More buses were also used in ferrying BCs to work. We intensified Antigen Rapid Test (ART) testing for our staff and also made unannounced audit checks to ensure full compliance to tightened measures.

Concurrently, the welfare and the mental well-being of our people remained foremost on our minds. Their supervisors stepped up outreach efforts and remained available to listen and help whenever necessary. For those infected by the virus, our people got together to pack care packs to be sent to them to demonstrate care in practical ways. Those without families here were also not forgotten as we catered for their meals and did grocery runs for them too. In place of physical events, Management switched to video communication to stay in touch and uplift morale.

For our passengers, we continued with our stepped-up cleaning and disinfection regime with high passenger touch points

cleaned at two-hourly intervals. Anti-microbial disinfectant spray continued to be applied in our buses and trains at regular frequency to maintain their level of protection. Mask-wearing was enforced and a no-talking policy was encouraged on our buses and trains to minimise the spread of droplets in the surrounding environment.

NEW RAIL FINANCING FRAMEWORK FOR LONG TERM SUSTAINABILITY

A key development during the year was the transition of the Downtown Line (DTL) to the New Rail Financing Framework (NRFF) Version 2, which the North East Line (NEL) and the Sengkang Punggol LRT (SPLRT) lines already operate on. It will reduce commercial volatility for us and is a more sustainable model for our rail operations. This will enable us to focus on the operations and maintenance of the rail system so that our operations can remain financially sustainable to continuously provide safe and reliable rail services to the public.

As part of the agreement, the LTA issued a consolidated licence to our wholly-owned subsidiary, SBS Transit Rail Pte Ltd, to operate the DTL, NEL and SPLRT for a period of 11 years which commenced on 1 January 2022. All our rail assets have since been consolidated under this new subsidiary.

1 <https://www.weforum.org/agenda/2021/02/public-transport-covid-data/>

JOINT STATEMENT BY CHAIRMAN & CEO



IN 2021, OUR MEAN KILOMETRE BETWEEN FAILURE (MKBF), WHICH IS THE INTERNATIONALLY USED MEASURE FOR RAILWAY RELIABILITY, SET A RECORD FOR THE INDUSTRY. DTL CLOCKED AN IMPRESSIVE 4.19 MILLION TRAIN-KM COMPARED TO THE NATIONWIDE MRT NETWORK'S AVERAGE OF 1.99 MILLION TRAIN-KM AND WAS NAMED THE "MOST RELIABLE MRT LINE".

Under the new consolidated rail licence, we continue to hold rights to lease out the advertising spaces at all 78 stations of the DTL, NEL and SPLRT until 31 December 2023. Thereafter, the LTA may allow us to continue to operate all or any part of the rail advertising business from 1 January 2024 until the term of the consolidated rail licence expires.

In addition, the agreement also provided for an extension of five existing bus contracts which we are currently operating by an average of three years. With effect from 1 September 2022, the service fee for these contracts will be at a rate that is benchmarked against recent bus tenders and will be lower than the current service fee.

KEEPING SINGAPORE MOVING EVERY DAY

2021 marked the fifth year of operations under the Bus Contracting Model (BCM) where the provision of bus services and the corresponding delivery standards are determined by the LTA. Bus operators are

contracted and paid to operate public bus services through a competitive tendering process while the LTA retains the fare revenue. All bus infrastructure such as depots and operating assets like buses are owned by the LTA.

We operated a total of nine bus packages – two of which are tendered contracts. Among the seven negotiated contract packages, one was extended on 1 September 2021 for three years while another five will be extended by an average of three years from September 2022 as part of the NRFF arrangement.

In 2021, we operated a total of 228 bus routes, which were two more than in 2020. On an average weekday, we operated some 30,500 bus trips with our fleet of 3,548 buses which included 30 electric buses and 25 hybrid ones.

In September and October 2021, the public bus industry experienced a shortage of BCs as a result of COVID-19 infections.

As the biggest public bus operator with a market share of 61%, we were not spared where up to 14% of our BC strength was affected at the peak of the crisis.

Working hard with the LTA, we minimised the impact to our bus operations by undertaking a slew of measures where teamwork was essential. BCs, who were on their rest days, voluntarily returned to driving duties to cover for their absent team mates, planners mapped out adjusted frequencies for the affected bus services while Service Controllers at the Operations Control Centres proactively managed the buses on the road to regulate bus arrival timings to minimise prolonged waiting times at bus stops. As a result, the increase in waiting times for the majority of affected bus services was within five minutes of their regular schedules. For a very small number of bus services, it was more than 10 minutes.

In rail operations, we operated 78 stations - 50 MRT stations on the NEL and DTL and 28

LRT stations on the SPLRT loops - spanning 83 km of rail networks in Singapore. All the stations on our rail networks are opened for passenger service except for Teck Lee on the Punggol LRT loop, which will open in tandem with developments in the area.

Demand for rail services increased slightly by 4.5% with close to 271.3 million passenger trips made in 2021 when compared to the previous year. However, ridership has yet to reach pre-COVID-19 levels with a drop in total ridership of 39% when compared to 2019.

In 2021, our Mean Kilometre Between Failure (MKBF), which is the internationally used measure for railway reliability, set a record for the industry. DTL clocked an impressive 4.19 million train-km compared to the nationwide MRT network's average of 1.99 million train-km and was named the "Most Reliable MRT Line". NEL came in second with 2.06 million train-km and clocked an improvement over its 2020 performance of 2.04 million train-km. The SPLRT achieved 341,000 train-km compared to the nationwide LRT network's average of 292,000 train-km. We commend the rail team for its outstanding achievements.

ATTRACTING TALENT AND DEVELOPING OUR PEOPLE

As at December 2021, we had 10,024 employees of which 58% were BCs. We stepped up efforts to attract more locals to join as BCs with a new recruitment campaign that highlighted the meaningful nature of the job. A higher salary for locals with relevant heavy vehicle driving experience was also introduced while the quantum of the sign-on bonus was doubled to \$6,000 for a limited period. Our efforts attracted 228 applicants where about slightly half of them were found to be suitable for the job.

Our employees have always been at the heart of our business and we recognise the importance of continuing education as a necessary investment for them to broaden and deepen their competencies. We further expanded our e-learning

training programmes including those certified by SkillsFuture Singapore (SSG) to enable them to continue to hone their knowledge and skills at their own pace given the limitations of physical training sessions during the pandemic.

Our rail engineers were also encouraged to upskill themselves by enrolling in the first-ever, new competency-based degree programme that public rail operators, LTA and the Singapore Institute of Technology (SIT) have introduced. They can earn credits obtained through work experiences that will count towards a Bachelor or Master degree in Engineering Technology in Sustainable Infrastructure Engineering (Land). We are sponsoring three staff for this programme.

MAKING JOURNEYS BETTER FOR OUR PASSENGERS

Our customers are central to our operations. To sharpen our focus on them, a Customer Experience department was established with the dedicated focus of creating better travel experiences.

With inclusivity being one of our key attention areas, the team embarked on our hallmark "Travel with Confidence" programme. To-date, we have partnered Dementia Singapore on a way-finding solution to enable those living with dementia and

for elderly passengers to easily and safely find their way to their boarding berths at our bus interchanges and MRT stations. We also introduced priority boarding for passengers-in-wheelchairs at the boarding platforms across all 50 of our MRT stations.

Listening to the voice of our passengers remains a key tenet of our customer experience. For this purpose, we have an array of feedback channels available. In 2021, we piloted a new fault reporting initiative which makes it easier for

OUR EMPLOYEES HAVE ALWAYS BEEN AT THE HEART OF OUR BUSINESS AND WE RECOGNISE THE IMPORTANCE OF CONTINUING EDUCATION AS A NECESSARY INVESTMENT FOR THEM TO BROADEN AND DEEPEN THEIR COMPETENCIES.



JOINT STATEMENT BY CHAIRMAN & CEO

passengers to report faults with the use of Quick Response (QR) codes on our buses and in bus interchanges. This is currently on trial at two major bus interchanges and on buses belonging to two bus services. For our trains and MRT stations, we had implemented this initiative about two years ago.



IN AN EFFORT TO SPEARHEAD SUSTAINABILITY IN SBS TRANSIT, A BOARD-LEVEL SUSTAINABILITY COMMITTEE WAS SET UP IN APRIL 2021. BY INTRODUCING A BOARD-LEVEL COMMITTEE, WE ARE MAKING IT CLEAR THAT WE DO NOT TAKE ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE (ESG) MATTERS LIGHTLY.



Our efforts in providing good service did not go unnoticed by our passengers. In the 2021 Customer Satisfaction Index of Singapore conducted by the Singapore Management University's Institute of Service Excellence, the overall customer satisfaction score for public transportation was 74.1. SBS Transit led the way by outperforming the industry with a score of 74.5 points for the bus sector and 78.2 for the rail sector.

SUSTAINABILITY FOR THE FUTURE

In an effort to spearhead sustainability in SBS Transit, a Board-level Sustainability Committee was set up in April 2021. By introducing a Board-level Committee, we are making it clear that we do not take environmental, social and corporate governance (ESG) matters lightly. In addition, we have decided to produce a separate Sustainability Report effective this year. More details of our Sustainability efforts can be found in the Report which will be released by June 2022.

In 2021, we took delivery of 10 electric buses from the LTA, bringing the total number of green vehicles in our fleet to 55. This comprised 30 electric buses and 25 hybrid ones. As at end December 2021, 81% of our fleet was Euro 5 and above to minimise environmental pollution.

As more environmentally-friendly buses come on stream, our technicians are being trained to maintain these vehicles better and safely. As part of our training efforts, we jointly developed a certification course with ITE College West on working with high voltage systems that are employed on electric and hybrid buses. Nineteen of our technicians have been certified as Experts and we aim to equip all 441 of them with at least a basic knowledge of working safely with these systems.

We operated a commercial on-demand shuttle bus service using autonomous buses (AV) on Jurong Island for three months until end April 2021. This was an initiative under the national Emerging Stronger Taskforce to promote and accelerate sustainable deployment of robotics in Singapore. Prior to this, we were involved in the trial of operating these vehicles with ST Engineering where our BCs served as safety drivers to take over the wheel in case of emergencies.

Meanwhile, we are also participating in a consortium with ST Engineering Autonomous Solutions, which had submitted a bid for an AV project, in a Call for Collaboration announced by the LTA and the Economic Development Board.

We have also been actively changing the way we do things at our workplace by digitalising our operations and maintenance and in the process, dispensed with manual procedures, improved existing systems and increased productivity. This has also transformed the way we communicate with our people, measure and improve performance and monitor and manage information as we transform to become an agile and connected workforce.

EARNING RECOGNITION AND AWARDS

In recognition of our efforts in upholding best practices in corporate governance and showing leadership, innovation and resilience during the pandemic, SBS Transit was one of only seven companies to be recognised with the Corporate Excellence





and Resilience Award (mid-cap) at the Singapore Corporate Awards.

SBS Transit also received the Excellence Award for Shareholder Communications (mid-cap), as well as the Runner-up Award for Most Transparent Company (Industrials) at the Securities Investors Association (Singapore) Investors' Choice Awards 2021.

Our ranking in the Annual Governance and Transparency Index improved as we were placed in the 14th position - three spots higher than in 2020.

In safety, we clinched top spots in the bus and rail categories at the LTA Annual Safety, Health and Environmental Award Convention. NEL was honoured with the "Public Transport Safety Award - Rail Operator (Excellence)" while the Bukit Merah Bus Package received the "Public Transport Safety Award - Bus Operator (Excellence)". Our Jurong West Bus Package was awarded the Merit award in the same category.

In recognition of SBS Transit's efforts in the greening of the Ulu Pandan Bus Depot, we received the ASEAN Energy Awards 2021 in the Energy Efficient Building (zero energy building) category while the Public Utilities Board recognised our efforts with the Water Efficient Building (Basic) Certification.

Our people have also done us immensely proud. At the LTA's inaugural Singapore BusTech Grand Challenge, six of our bus technicians participating in two teams emerged as the overall top two champion teams.

A Master Technical Specialist, Mr Haine Abdul Rahman, received the SkillsFuture Fellowships 2021 which was presented to him by the President of Singapore, Mdm Halimah Yacob. His quest for constant learning earned him a \$10,000 training grant.

In service excellence, 171 of our employees were lauded at the National Kindness Award - Transport Gold while close to 1,800 were recognised at the national Excellent Service Award (EXSA). Of these, 42% of them received the EXSA Star Award, which is the highest accolade. It is heartening to know that 30% of the recipients are first-time award winners.

FINANCIAL PERFORMANCE

Group Total Revenue for 2021 increased by 6.5% from \$1,230.9 million to \$1,310.8 million.

Revenue from Public Transport Services (bus and rail) increased by 5.8% or \$69.5 million to \$1,265.3 million, which can be

attributed mainly to higher bus service fees offset by lower mileage, higher rail ridership offset by lower average fares, and also higher other operating income.

Revenue from Other Commercial Services business increased by 29.5% or \$10.4 million to \$45.5 million due mainly to higher advertising revenue as more advertisers resumed their campaigns and a reduction in rental rebates given to tenants.

Group operating costs increased by 9.2% or \$106.3 million to \$1,257.3 million due mainly to higher fuel and electricity costs as well as staff costs. The surge in energy prices resulted in a spike of 65.1% or \$58.6 million in our fuel and electricity costs to \$148.7 million.

The Group fell into the red at the operating level for the second consecutive year of the pandemic, although it significantly narrowed the loss to \$2.8 million from \$29.8 million in 2020. The improved performance was in line with the gradual recovery of the Singapore economy but this was offset by a one-time loss of \$16.0 million from the disposal of 241 buses which were replaced with new and greener ones from the LTA.

We are grateful for the Government reliefs of \$56.3 million which enabled the Group to stay in the black. The Government reliefs, although significantly lower by 48.7% than in 2020, helped to partially cushion the adverse financial impact due to COVID-19. The COVID-19 impact included a significant drop in ridership compared to pre-COVID-19 levels, rental rebates given to tenants and expenses arising from stepped-up cleaning costs of vehicles and premises to protect our passengers and employees. Hence, we turned in an operating profit of \$53.6 million, down 33% from 2020.

At the Group level, net profit attributable to shareholders fell by 34.6% or \$27.3 million to \$51.6 million.

Earnings per share was 16.56 cents, which was 34.6% lower than the 25.32 cents earned previously. As at 31 December 2021, total

JOINT STATEMENT BY CHAIRMAN & CEO

equity for the Group increased by 2.5% or \$14.5 million to \$601.6 million due mainly to profits generated from operations and partially offset by the payment of dividends.

Your Directors have proposed a tax-exempt one-tier final dividend of 2.45 cents per share. Together with the tax-exempt one-tier interim dividend of 5.75 cents paid earlier, the total tax-exempt one-tier dividend to be paid out in 2021 will be 8.20 cents per share, 30.2% higher than the previous year. The dividend payout of 49.5% is close to our dividend policy of distributing at least half of our profits as dividends. Based on year-end closing price of \$2.95, the dividend yield is 2.80%.

LOOKING AHEAD

We look forward to the LTA's invitation to tender for the operation and maintenance of the Jurong Region Line (JRL) as well as the Cross Island Line (CRL). The 24-km long JRL with 24 stations will be the seventh MRT line and serve the western part of Singapore including the Jurong Lake District, the Jurong Innovation District and the Nanyang Technological University. It is scheduled to open in three phases starting from 2027. More than 50 km long, the CRL will serve as a critical transport infrastructure that will greatly improve connectivity for commuters across Singapore. The CRL will be opened in phases with the first phase (CRL1) scheduled for 2030. Spanning 29 km, CRL1 will have almost half of its 12 stations as interchanges with other MRT lines and raise the MRT network resilience. Studies on the details of subsequent CRL phases are ongoing.

The contract term of five Bus Packages under BCM will expire in 2023. Two of them - Seletar and Bukit Merah - are operated by us and we intend to seek an extension to continue to manage them. The three Bus Packages - Choa Chu Kang-Bukit Panjang, Loyang and Woodlands - will offer opportunities for us to participate in the tenders to operate them if their terms are not extended.

Sustainability will remain a key focus of our business as we continue to explore programmes and initiatives to bring about meaningful changes that will have positive impact on our people, our passengers and our stakeholders. ESG matters will be key considerations in our decision making processes - from basic procurement decisions to major strategic, long-term operational plans.

Meanwhile, the legal suit that 13 BCs have brought against the Company will continue in 2022. We will defend our case with vigour as we have not only complied with the Employment Act but have also gone beyond in the interest of our BCs.

DIRECTORS

We wish to welcome a new Director, Mr Desmond Choo, who joined us in April 2021. Desmond, who has a strong background with extensive experience in community and labour relations, is a Member of Parliament and the Mayor of the North East District. He is currently the Assistant Secretary-General and Director of Policy Division at the National Trades Union Congress. We now have 10 Directors, with a 30% female representation.

We have also been advised by our Deputy Chairman, Mr Yang Ban Seng, who is concurrently the Managing Director/Group CEO of our parent company, ComfortDelGro Corporation Limited, that he will not be seeking re-election at the Annual General Meeting. We are grateful to Mr Yang for his valuable contributions and unwavering support over the past five years.

Our Directors participated in a biennial retreat with Senior Management in December 2021 where significant topics in new business models, enhanced role of technology and new business approaches to adopt to stay abreast of the competition were among the topics reviewed and debated.

APPRECIATION

On behalf of the Board of Directors, Management and staff, we would like to place on record our appreciation to Mr Lim Jit Poh, who retired in April last year after

serving 18 years as SBS Transit's Chairman. Mr Lim was an astute leader who had provided guidance, counsel and strong support to the Board and Management. He was always mindful of SBS Transit's dual role as a public transport operator and also a listed entity and he knew just how to balance his responsibilities to both shareholders and the commuting public. We are grateful that Mr Lim agreed to stay on as Senior Advisor for a year after he retired to provide continuity.

We would like to thank our staff for their hard work and commitment in keeping Singapore moving during this pandemic which remains unfettered as new variants emerge. They have remained focussed and resilient in adapting to changes and staying the course in providing safe and reliable services to our passengers. To all the frontline staff, we greatly appreciate their dedication where they have put their health and well-being on the line to provide essential public transport services to our passengers every day without fail.

We would also like to thank the Government and the Authorities for all their assistance in helping us through these difficult times. To the National Transport Workers' Union, thank you for working closely with us to forge a strong and harmonious tripartite partnership. We are also thankful to the schools and community groups which continued to rally behind our staff in overwhelming support and appreciation.

To our fellow directors, thank you for your invaluable advice, continued guidance, unwavering support and contributions.

Last but not least, to our loyal Shareholders, thank you for your support.

BOB TAN BENG HAI

CHAIRMAN

CHENG SIAK KIAN

CHIEF EXECUTIVE OFFICER

MARCH 2022

CORPORATE INFORMATION

BOARD OF DIRECTORS

BOB TAN BENG HAI

CHAIRMAN
(Appointed on 29 April 2021)

LIM JIT POH

CHAIRMAN
(Retired on 29 April 2021)

YANG BAN SENG

DEPUTY CHAIRMAN

CHENG SIAK KIAN (Appointed on 29 April 2021)

DESMOND CHOO PEY CHING (Appointed on 29 April 2021)

CHUA MUI HOONG

JOHN DE PAYVA (Retired on 29 April 2021)

SUSAN KONG YIM PUI

LEE SOK KOON

LIM SEH CHUN

LIM SIANG HOE, BENNY (Retired on 29 April 2021)

TAN KIM SIEW

YU CHING MAN

AUDIT AND RISK COMMITTEE

LEE SOK KOON

CHAIRMAN

DESMOND CHOO PEY CHING (Appointed on 29 April 2021)

CHUA MUI HOONG

LIM SEH CHUN (Stepped down on 29 April 2021)

LIM SIANG HOE, BENNY (Retired on 29 April 2021)

TAN KIM SIEW

YANG BAN SENG (Appointed on 29 April 2021)

NOMINATING AND REMUNERATION COMMITTEE

(NC and RC merged into NRC on 29 April 2021)

SUSAN KONG YIM PUI

CHAIRMAN

DESMOND CHOO PEY CHING (Appointed on 29 April 2021)

LIM JIT POH (Retired on 29 April 2021)

LIM SEH CHUN

BOB TAN BENG HAI (Appointed on 29 April 2021)

TAN KIM SIEW (Appointed on 29 April 2021)

YANG BAN SENG (Appointed on 29 April 2021)

SERVICE QUALITY COMMITTEE

YU CHING MAN

CHAIRMAN

CHENG SIAK KIAN (Appointed on 29 April 2021)

CHUA MUI HOONG

JOHN DE PAYVA (Retired on 29 April 2021)

LEE SOK KOON

TAN KIM SIEW

SBST TENDERS COMMITTEE

BOB TAN BENG HAI

CHAIRMAN

CHENG SIAK KIAN (Appointed on 29 April 2021)

SUSAN KONG YIM PUI

LEE SOK KOON

LIM JIT POH (Retired on 29 April 2021)

YANG BAN SENG

YU CHING MAN

SUSTAINABILITY COMMITTEE

(Formed on 29 April 2021)

LIM SEH CHUN

CHAIRMAN

CHENG SIAK KIAN

DESMOND CHOO PEY CHING

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 SECRETARY

Angeline Joyce Lee Siang Pohr

SHARE REGISTRAR

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

AUDITORS

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
6 Shenton Way
QUE Downtown 2
#33-00
Singapore 068809

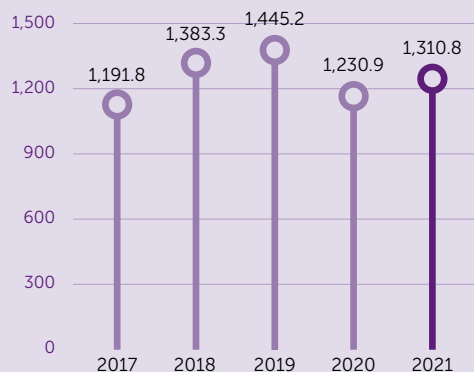
Partner-in-Charge:
Yang Chi Chih

Date of Appointment:
29 April 2021

GROUP FINANCIAL HIGHLIGHTS

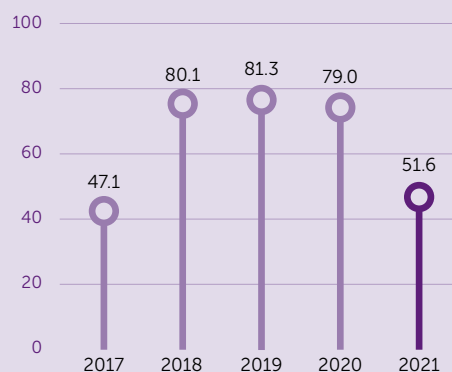
REVENUE

(\$'mil)



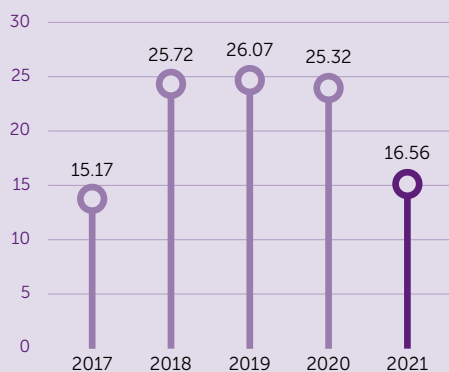
PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(\$'mil)



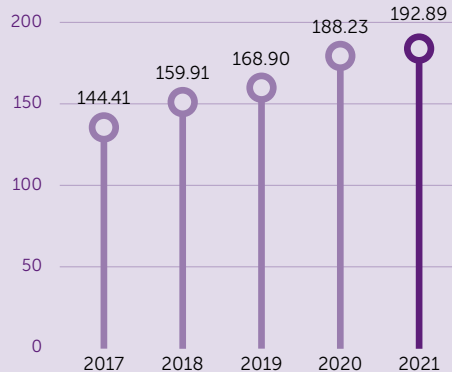
EARNINGS PER ORDINARY SHARE

(cents)



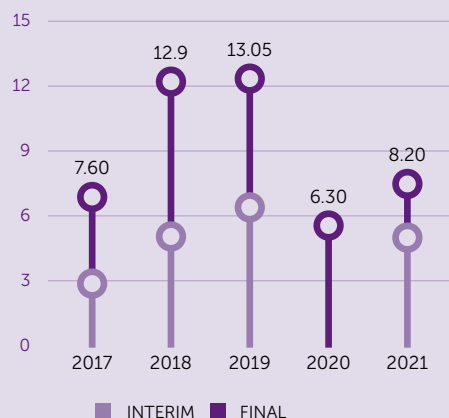
NET ASSET VALUE PER ORDINARY SHARE

(cents)



TOTAL DIVIDEND PER ORDINARY SHARE

(cents)



■ INTERIM ■ FINAL

VALUE-ADDED PER EMPLOYEE

(\$'000)



SBS TRANSIT GROUP FINANCIAL SUMMARY

	2017	2018	2019	2020	2021
Revenue (\$'mil)	1,191.8	1,383.3	1,445.2	1,230.9	1,310.8
Operating costs (\$'mil)	1,132.5	1,286.0	1,341.7	1,151.0	1,257.3
Operating profit (\$'mil)	59.3	97.3	103.5	80.0	53.6
Profit attributable to shareholders (\$'mil)	47.1	80.1	81.3	79.0	51.6
EBITDA (\$'mil)	156.3	190.4	207.6	189.0	158.9
Issued capital (\$'mil)	98.9	100.2	100.5	100.5	100.5
Capital and reserves (\$'mil)	449.2	498.4	526.7	587.0	601.6
Capital disbursement (\$'mil)	35.0	27.8	29.0	18.3	33.1
Return on shareholders' equity (%)	10.9	16.9	15.9	14.2	8.7
Earnings per ordinary share (cents)	15.17	25.72	26.07	25.32	16.56
Net asset value per ordinary share (cents)	144.41	159.91	168.90	188.23	192.89
Interim dividend per ordinary share (cents)	3.65	5.80	7.15	-	5.75
Final dividend per ordinary share (cents)	3.95	7.10	5.90	6.30	2.45
Total dividend per ordinary share (cents)	7.60	12.90	13.05	6.30	8.20
Dividend cover (number of times)	2.0	2.0	2.0	4.0	2.0

VALUE-ADDED FOR THE GROUP

	2017		2018		2019		2020		2021	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
Suppliers of capital – dividends and term loan interest	24,224	3.0	33,765	3.7	48,686	5.2	21,647	2.8	38,918	4.9
Taxation to the government	27,205	3.4	32,066	3.5	28,731	3.1	7,488	1.0	10,841	1.4
Retained earnings	124,977	15.5	143,139	15.7	141,266	15.2	171,207	21.8	118,976	15.0
Employees – salaries and other staff costs	628,553	78.1	705,519	77.1	713,354	76.5	583,342	74.4	625,554	78.7
Total value-added	804,959	100.0	914,489	100.0	932,037	100.0	783,684	100.0	794,289	100.0
Number of employees	9,709		10,475		10,657		10,534		9,988	
Value-added per employee (\$'000)	82.9		87.3		87.5		74.4		79.5	

BOARD OF DIRECTORS

BOB TAN BENG HAI
CHAIRMAN OF THE BOARD
INDEPENDENT NON-EXECUTIVE DIRECTOR

YANG BAN SENG
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:

N.A.

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

1 MAY 2017

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

21 MAY 2020

Mr Bob Tan is the Chairman and an Independent Non-Executive Director of the Company. He is also the Chairman of the SBST Tenders Committee and a member of both the Nominating and Remuneration Committee and the Sustainability Committee of the Company.

He is also the Chairman of Jurong Engineering Ltd, Ascott Business Trust Management Pte Ltd, Ascott Residence Trust Management Ltd and Sentosa Development Corporation. He is a Board member of the Ong Teng Cheong Labour Leadership Institute, Securities Industry Council Member and Corporate Governance Advisory Committee Member of the Monetary Authority of Singapore, Council Member of National Trades Union Congress Club Management Council, Director of Sembcorp Marine Ltd and Director of Singapore Post 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 and Distinguished Service Award at the 2018 NTUC May Day Awards.

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

Mr Yang Ban Seng is the Deputy Chairman of the Company. He is a Non-Independent Non-Executive Director of the Company and a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the SBST Tenders Committee of the Company.

He is concurrently the Managing Director/Group Chief Executive Officer of ComfortDelGro Corporation Limited ("**ComfortDelGro**"), which is SBS Transit Ltd's parent company, and Deputy Chairman of VICOM Ltd.

Prior to this, he was the Chief Executive Officer of ComfortDelGro's Taxi Business in Singapore where he oversaw the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Before joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the Ministry of Home Affairs and the National Trades Union Congress' Secretary for Cooperatives. He was awarded the Medal of Commendation at the NTUC's May Day Awards in 2013, and Medal of Commendation (Gold) at the NTUC's May Day Awards in 2021.

Mr Yang holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester and a Master of Business Administration from the National University of Singapore.

CHENG SIAK KIANCHIEF EXECUTIVE OFFICER
NON-INDEPENDENT EXECUTIVE DIRECTOR**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:

N.A.

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

29 APRIL 2021

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

N.A.

Mr Cheng Siak Kian is the Chief Executive Officer and a Non-Independent Executive Director of the Company. He is a member of the SBST Tenders Committee, the Service Quality Committee and the Sustainability Committee of the Company.

He first joined SBS Transit 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 October 2016, he was posted to New South Wales, Australia by ComfortDelGro, our parent company, and was appointed as the Chief Executive Officer of ComfortDelGro Corporation Australia Pty Ltd (NSW) in December 2016. There, he extended the range of services to include non-emergency patient transportation and expanded the company's footprint into other states. He returned to SBS Transit Ltd in July 2019 to assume the appointment of Chief Operating Officer and was promoted to Acting Chief Executive Officer on 1 March 2020. A year later, he was appointed the Chief Executive Officer of the Company.

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.

Mr Desmond Choo is an Independent Non-Executive Director of SBS Transit Ltd. He is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Sustainability Committee of the Company.

He 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. 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 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.

BOARD OF DIRECTORS

CHUA MUI HOONG
INDEPENDENT NON-EXECUTIVE DIRECTOR

SUSAN KONG YIM PUI
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:

21 MAY 2020

DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:

1 OCTOBER 2017

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

21 MAY 2020

Ms Chua Mui Hoong is an Independent Non-Executive Director of SBS Transit Ltd. She is a member of both the Audit and Risk Committee and the Service Quality Committee of the Company.

Ms Chua is a journalist and editor. She is an Associate Editor 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 Ltd.

She has over 30 years' experience in the media sector. As Associate Editor at The Straits Times, she writes regularly 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.

Ms Susan Kong Yim Pui is an Independent Non-Executive Director of the Company. She is the Chairperson of the Nominating and Remuneration Committee and a member of the SBST Tenders Committee of the Company.

Ms Kong has been a practicing lawyer for more than 30 years and 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 been a partner in several major firms before founding Q.E.D. Law Corporation in December 2012. In her practice, she has advised listed companies and financial institutions on corporate governance and compliance issues.

Ms Kong has extensive international experience both in her law practice and in her involvement in Company Boards. Ms Kong has acted as lead counsel for many MNCs and large corporations in their investments and their multi-jurisdictional joint ventures in Asean countries, China, India and Australia; and banks and financial institutions in many cross border financing transactions. On the corporate front, Ms Kong has been a director of Surbana Corporation Private Limited, which had extensive projects in many parts of China. She was also an independent director of UOB Radanasin Bank Public Company Limited in Thailand for nine years before it merged and was reorganised as UOB Thailand.

Ms Kong is the Chairperson of Singapore Tyler Print Institute, an art institution that participates 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:

21 May 2020

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 both the Service Quality Committee and the SBST Tenders Committee of the Company.

She is also an Independent Non-Executive Director of Japan Foods Holding Ltd, Lum Chang Holdings Ltd and Mooreast Holdings Ltd, all public companies which are listed 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 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.

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 Member of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

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. Professor Lim is the Chairman of the Sustainability Committee and a member of the Nominating and Remuneration Committee of the Company.

Professor Lim is the Associate Provost for Student Affairs at the Singapore University of Technology and Design. 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 of the Board of Directors of Singapore School of Science and Technology.

BOARD OF DIRECTORS

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:

21 MAY 2020

Dr Tan Kim Siew is an Independent Non-Executive Director of the Company. He is a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Service Quality Committee of the Company. He is also an Independent Non-Executive Director of VICOM Ltd.

Dr Tan is presently a Senior Consultant in the Ministry of Finance and Chairman of the Governing Board for the Mechanobiology Institute, National University of Singapore. 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 CEO 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.

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:

25 APRIL 2019

Professor Yu Ching Man is an Independent Non-Executive Director of the Company. He is the Chairman of the Service Quality Committee and a member of both the SBST Tenders Committee and the Sustainability Committee of the Company.

Professor Yu is a Professor in the Department of Aviation and Aeronautical Engineering at the Hong Kong Polytechnic University. He is also concurrently the Head of Training for the Flight Training Organization (HKCAD-509A) and Training Manager for Licensed Aircraft Engineers (HKAR-147) at the university.

Prior to this, he was a Professor and Programme Director in Sustainable Infrastructure Engineering (Land Transport) and Sustainable Infrastructure Engineering (Building Services) at the Singapore Institute of Technology ("SIT"). He was formerly with the Nanyang Technological University ("NTU"). During his tenure as Head of Aerospace Engineering at NTU in particular, he had successfully obtained a \$50 million Grant from 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 CEng in various organisations.

KEY MANAGEMENT

BUS

TAN ENG KOK, IVAN

HEAD OF BUS



Mr Tan Eng Kok, Ivan is Head of Bus Business 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.

Prior to joining the Company, Mr Tan had worked as an Engineer with Hewlett Packard. He also has corporate planning and market research experience from his stint with the former Singapore Institute of Standards and Research (SISIR).

Mr Tan holds a Bachelor of Engineering (Honours) in Mechanical Engineering and a Master of Business Administration from the National University of Singapore.

YEO SEE PENG

HEAD CUSTOMER EXPERIENCE
& OPERATIONS (BUS)



Mr Yeo See Peng is Head of Customer Experience & Operations (Bus) - an appointment he has assumed since 1 November 2020. Prior to this, he was Head of Bus Support upon his return from Perth, Australia in 2017, where he had headed ComfortDelGro's taxi business there as its CEO.

A Singapore Armed Forces Merit Scholar, he graduated from the University of Oxford (UK) with a Bachelor and a Master of Arts. He also holds a Master of Public Administration from Harvard University (USA). He is currently on the Advisory Committee of Dunman High School, and serves on the Sharity Committee of the Community Chest.

PANG FUI ENG, IVAN

HEAD BUS ENGINEERING



Mr Pang Fui Eng, Ivan is Head of the Bus Engineering since 2016 and oversees these departments – Bus Engineering Systems and Technology, Maintenance Planning and Bus Asset, Maintenance Operations and Support, and Quality Systems and Projects – as well as the seven workshops and the Supplies Section. 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).

GOH PIN KAI

HEAD BUS DEVELOPMENT



Mr Goh Pin Kai is Head of Bus Development where he is responsible for bus schedules and service analysis, bus contracts and bus tender bids and the employment of technology in operations. More than 17 years with the Company, he represents SBS Transit in discussions on major initiatives such as the Bus Service Reliability Framework. He had also been the team lead in the Company's Autonomous Vehicle journey by managing the first AV revenue service in 2021.

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

KEY MANAGEMENT

RAIL

SIM VEE MING, JEFFREY

CHIEF EXECUTIVE OFFICER
SBS TRANSIT RAIL



Mr Sim Vee Ming, Jeffrey is Chief Executive Officer of SBS Transit Rail Pte Ltd, a wholly-owned subsidiary of SBS Transit. He is also the concurrent Head of North East Line and Sengkang Punggol LRT.

He is a Board member of the Land Transport Authority's Singapore Rail Academy and also sits on the Industry Advisory Committee of the Singapore Institute of Technology's Sustainable Infrastructure Engineering Programme. A Chartered Engineer, Mr Sim is a member of the Transportation Standards Committee.

Prior to joining SBS Transit, Mr Sim was a Group Commander in the Republic of Singapore Air Force. He holds a Bachelor (Honours) and a Master of Engineering from the National University of Singapore as well as a Master of Arts (with distinction) from Massey University, New Zealand.

GOEI BENG GUAN, ALEX

HEAD DOWNTOWN LINE



Mr Goei Beng Guan, Alex holds overall responsibility for the Downtown Line – a portfolio that he assumed since 2013 upon his promotion to Senior Vice President. He joined as a bus service planner in 1985 and was a member of the team involved in the bid and launch of the Sengkang Punggol LRT and the North East Line.

Mr Goei, an Associate of the Institution of Railway Signal Engineers, holds a Bachelor of Arts from the National University of Singapore. He also has postgraduate diplomas in Road Passenger Transport from the Chartered Institute of Logistics and in Training and Development Management from the UK Institute of Training and Development.

FOO JANG KAE

HEAD RAIL ENGINEERING &
PERFORMANCE &
HEAD RAIL ENGINEERING (NORTH EAST
LINE AND SENGGANG PUNGGOL LRT)



Er. Foo Jang Kae is Head of Engineering and Performance for the Rail business and concurrent Head of Engineering for the North East Line and the Sengkang Punggol LRT.

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

A registered Professional Engineer and a Licensed Electrical Engineer, he is a Chartered Engineer accredited by UK's Engineering Council and Singapore's Institution of Engineers. He sits on the Industry Advisory Committee (IAC) of the Singapore Institute of Technology's Electrical Power Engineering programme.

LEE YAM LIMHEAD RAIL ENGINEERING
(DOWNTOWN LINE)

Mr Lee Yam Lim is the Head of Engineering for the Downtown Line. He has been with the Company for more than 20 years and was appointed to this position in October 2019. He was extensively involved in the start-up and maintenance of the North East Line, which was reputed as the world's first automated heavy metro system. He was also extensively involved in the bid for the Downtown Line and upon the award of the contract, headed its Signalling Department.

Mr Lee obtained a Bachelor of Computer Technology from the Nanyang Technological University. He is a member of the Institution of Engineers, Singapore and a registered Chartered Engineer in Railway Engineering accredited by the Institution of Engineers, Singapore.

MOK PENG FAI, ANTHONYHEAD CUSTOMER EXPERIENCE &
OPERATIONS (NORTH EAST LINE
AND SENGKANG PUNGGOL LRT)

Mr Mok Peng Fai, Anthony is the Head of Customer Experience & Operations for the North East Line (NEL) and the Sengkang Punggol LRT (SPLRT). He has close to 20 years of experience in railway operations starting out as a Chief Controller in the NEL Operations Control Centre (OCC) where he was heavily involved in the start-up of the Line. He later assumed responsibilities for the operations of the SPLRT and the NEL OCC. In March 2022, he was re-designated Head of Customer Experience & Operations for the networks.

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

QUEK CHIN HOCKHEAD CUSTOMER EXPERIENCE &
OPERATIONS (DOWNTOWN LINE)

Mr Quek Chin Hock was appointed Head of Customer Experience & Operations of the Downtown Line in January 2022. Prior to this, he was Head of Infrastructure and Permanent Way and has more than 18 years of experience in the maintenance of MRT Building Facilities and Permanent Way Track. His involvement with the North East Line (NEL) started when he interned as a student during the construction of the Little India and Farrer Park Stations. He joined the Company in 2003 when NEL commenced service.

Mr Quek holds a Bachelor in Civil Engineering from Nanyang Technological University of Singapore. He is also a Chartered Engineer accredited by the Institution of Engineers, Singapore.

KEY MANAGEMENT

CORPORATE

CHEW KUM EE

CHIEF FINANCIAL OFFICER



Ms Chew Kum Ee joined SBS Transit on 18 December 2017 and was appointed as Chief Financial Officer on 11 May 2018. Ms Chew is responsible for the accounting, financial and statutory reporting, financial controls, budgeting, and taxation matters.

Prior to this, Ms Chew 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 Nanyang Technological University and is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

TAN I-LIN, TAMMY

HEAD CORPORATE
COMMUNICATIONS



Ms Tan I-Lin, Tammy is Head of Corporate Communications. She is also the Group Chief Branding and Communications Officer and Spokesperson for ComfortDelGro Corporation Limited, SBS Transit's parent company. She is responsible for all corporate communications functions, including promoting the Group's image, overseeing its various publications, coordinating requests for sponsorships and donations, and liaising with the media community.

Ms Tan started her career with Singapore Press Holdings in 1995 and held several positions in The Straits Times, including Deputy Money Editor and Deputy News Editor.

Ms Tan holds a Bachelor of Social Sciences (Hons) from the National University of Singapore.

LEOW CHEE YEN, DON

HEAD HUMAN RESOURCES AND
ORGANISATIONAL DEVELOPMENT



Mr Don Leow Chee Yen is Head of Human Resources and Organisational Development. He is responsible for human resource management and development and drives the Company's efforts in attracting, engaging, developing and retaining human capital and talent. Prior to joining SBS Transit, he was with the Ministry of Trade and Industry where he was responsible for business partnering, compensation and benefits, recruitment, as well as employee engagement and welfare. He had also served in the Manpower Policy department of the Ministry of Defence.

Mr Leow has a Bachelor of Arts and Social Sciences Honours (2nd Class Upper) from the National University of Singapore.

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 extensive experience in the bus industry including Service Performance, System Development, Operations Development and Depot Operations amassed from his 26 years with the Company.

He holds a Bachelor of Engineering (Hons) from Nanyang Technological University, a Master of Science in Transportation Systems and Management from National University of Singapore 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.

LIM POH HENG

HEAD INFORMATION TECHNOLOGY



Mr Lim Poh Heng is Head of Information Technology (IT), an appointment he assumed in February 2021. He is responsible for the development and support of business applications, infrastructure services and cybersecurity. A former National Computer Board (predecessor of the Infocomm Media Development Authority) scholar, he holds a Bachelor of Science from the University of Maryland (USA).

Working in the public sector, he was seconded to the Singapore Economic Development Board and the Ministry of Foreign Affairs as part of the Civil Service Computerisation Programme. Thereafter, he directed regional and global IT initiatives across various industries for MNCs such as Kintetsu World Express, Fairchild Semiconductors and Hong Leong Asia.

CHONG YEW FUI, ADRIANCOMFORTDELGRO 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's. Prior to joining the Group in 2017, he was Senior Vice President of Hyflux Ltd. Mr Chong has spent many years in the audit profession with extensive commercial, operations and overseas experience, particularly in corporate governance, systems risks and process controls.

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

ANGELINE JOYCE LEECOMFORTDELGRO GROUP
GROUP GENERAL COUNSEL
& COMPANY SECRETARY

Ms Angeline Joyce Lee joined the Group on 7 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. In 1993, Ms Lee joined Singapore Press Holdings (SPH) to set up the Legal Department and has held different positions such as Head of Legal and Corporate Affairs in SPH Magazines, Head of Risk Management and Compliance and Vice President of SPH Legal-Secretariat Division. Ms Lee holds a Master in Business Law from the University of Westminster in United Kingdom and is a Chartered Secretary and Certified Risk-based Auditor.

OPERATIONS REVIEW

PUBLIC TRANSPORT SERVICES

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

\$1,265.3

REVENUE
(\$'MILLION)

228

TOTAL BUS ROUTES
OPERATED

78

TOTAL STATIONS
IN OPERATION

10,024

TOTAL NUMBER OF
EMPLOYEES

3,548

TOTAL BUS FLEET

192

TOTAL TRAIN FLEET



BUS SERVICES

2021 marked the fifth year of operations under the Bus Contracting Model (BCM). Under this model, 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.

We operated a total of nine bus packages, two of which are tendered contracts – Bukit Merah and Seletar – while the remaining seven are negotiated contracts where SBS Transit is the incumbent operator.

Of the negotiated contracts, one - the Sengkang-Hougang bus package - has already been extended for three years starting September 2021. Five other packages – Bedok, Bishan-Toa Payoh, Clementi, Serangoon-Eunos and Tampines – will be extended by an average of three years from September 2022 as part of the New Rail Financing Framework (NRFF) Version 2 arrangement that concluded in November 2021. The last package – Jurong West – will end in 2024.

With a market share of 61%, SBS Transit remained Singapore's largest public bus operator. On an average weekday, we operate about 30,500 bus trips across 228 bus routes from 17 bus interchanges and 15 bus terminals.

IN 2021, WE TOOK DELIVERY OF 10 ELECTRIC BUSES FROM THE LTA. THEY WERE OUR FIRST BATCH OF FULLY ELECTRIC, SINGLE DECK, THREE-DOOR BUSES AND WE WERE AMONG THE FIRST TO TRIAL THE USE OF AN OVERHEAD PANTOGRAPH CHARGING SYSTEM IN PLACE OF THE CONVENTIONAL PLUG-IN SYSTEM IN SINGAPORE.



OPERATIONS REVIEW

With the Land Transport Authority (LTA) as the central planner of bus routes, we rolled out a short trip service – 807B – two new supplementary bus services – 117M and 248M – and took over the operation of two bus services – 974 and City Direct 652.

We also implemented changes to another 21 bus routes. These included calling at new additional bus stops along their regular routes as well as plying amended routes for enhanced connectivity. The permanent closure of Connaught Drive to make the Civic District pedestrian-friendly also resulted in four bus routes – 100, 107, 130 and 131 – being amended. Another three services – 22, 65 and 506 – were re-routed due to low demand as commuters switched from buses to the Downtown Line along the affected sectors.

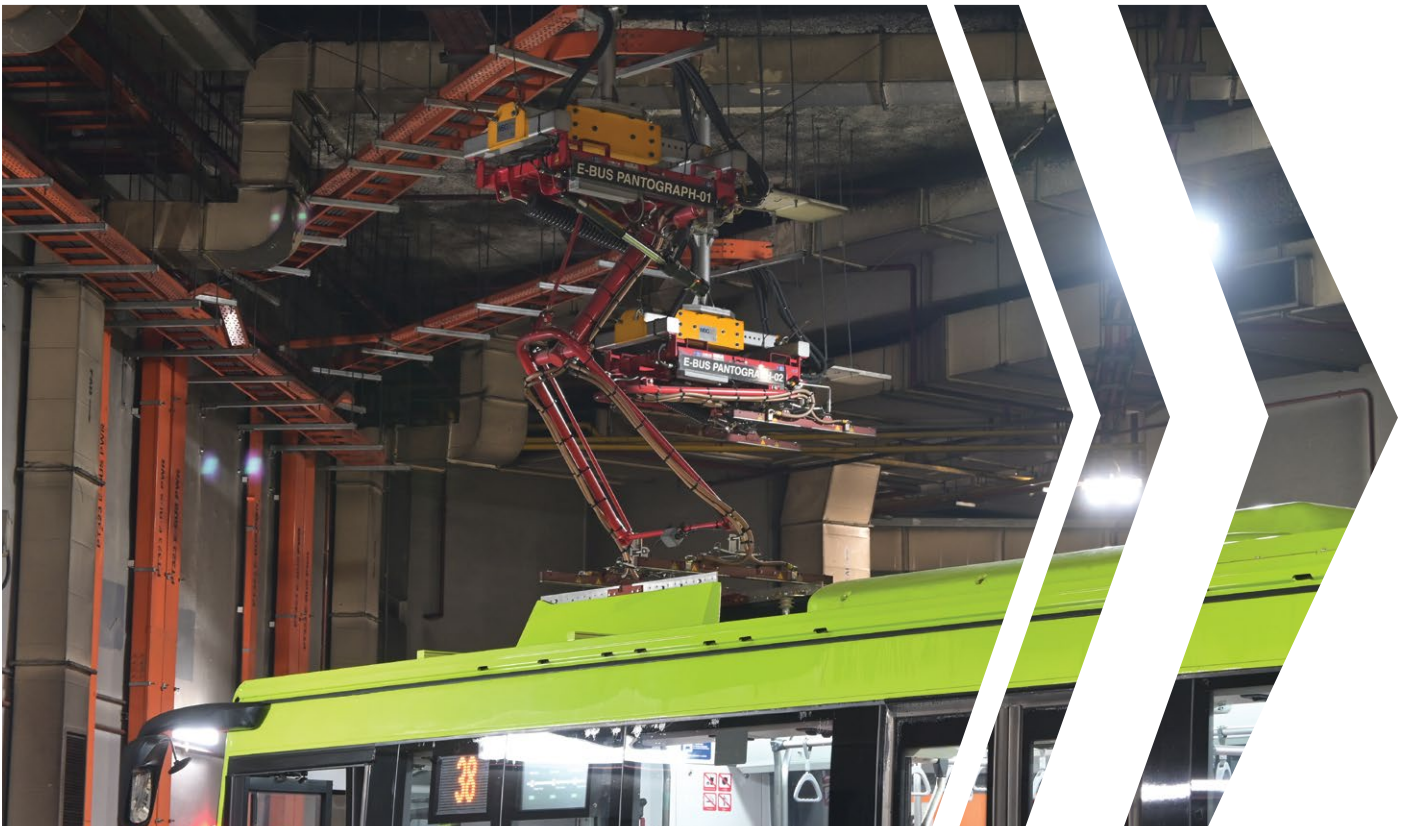
In 2021, we took delivery of 10 electric buses from the LTA. They were our first batch of fully electric, single deck, three-door buses and we were among the first to trial the use of an overhead pantograph charging system in place of the conventional plug-in system in Singapore. The pantograph charging facilities, which offer a quicker charge than the conventional method, have been installed in the Bedok Bus Interchange. A full charge on the pantograph takes 25 minutes and can power a bus for 125 kilometres as compared to the three hours a conventional plug-in charge will take.

With these new additions, our fleet size increased by 16 to 3,548 buses, including 30 electric vehicles and 25 hybrid buses. Fully air-conditioned and wheelchair-accessible, 43% of them were double deck buses, close to 57% single deck ones and the remaining 10 were made up of articulated buses which are also commonly known as bendy buses. Four in five of our buses are rated Euro 5 or higher.

As more environmentally-friendly buses come on stream, our bus technicians attended training classes to better equip themselves with new skills specifically aimed at green vehicle maintenance. As part of our training efforts, we jointly developed a certification course with ITE College West on working with high voltage systems that are employed on electric and hybrid buses. For the year in review, 19 of our technicians have been certified as "Experts" and we aim to equip all 441 of them with at least a basic knowledge of working safely with these systems.

On the road, we clocked 0.10 accident cases per 100,000 bus-km, which was a slight increase of 0.01 over 2020.

Besides instituting safety protocols, policies and procedures, we continued to invest in training and technology to help our Bus Captains (BCs) become safer drivers. From installing Mobileye and SAGE systems across our entire fleet of more than 3,500 buses,





we continued to explore and trial new technological solutions. Meanwhile, the trial of Golden Eye, a fatigue management system that provides audio-visual alerts and also causes the seat to vibrate when it detects signs of fatigue or distraction, has been expanded to more bus services. Mobileye is an advanced driver assistance system that alerts our BCs to an impending collision while SAGE, a telematics system provides audio and visual alerts in real-time when pre-specified events such as harsh braking, harsh acceleration and sharp cornering are detected.

At the bus interchanges and terminals, we continued with the implementation of the Vehicle-activated Speed Display system, which reminds our BCs to keep to the speed limits. To-date, 35 units of the system are in place at all seven bus depots while installation continues at more bus interchanges.

We also doubled down on reminding BCs to wait for elderly passengers to be seated before moving off from the bus stops and to observe junction drills diligently. We conducted random enforcement checks and made sure that BCs were constantly reminded that safety is our number one priority.

In our holistic efforts to deliver safe rides for our passengers, we also continued with an on-board safety campaign. In 2021, we focussed on reminding commuters to hold on firmly to the handrails when going up or down the upper deck. For elderly passengers, we encouraged them to stay on the lower deck for their own safety.

Resources were also committed to enhance the reliability of our buses to offer a better travel experience for our passengers. We invested in a bus condition monitoring system that alerts

our workshop staff to real-time fault detection and predicts the individual bus condition. With this, buses with faults can be recalled for timely repairs to avoid breakdowns on the road. The system, which is powered by Artificial Intelligence, is being progressively rolled out on 1,000 buses or about 28% of our fleet.

Passengers could also easily report faults that they noticed on our buses and at our bus interchanges through Quick Response (QR) code technology which is an initiative that we have rolled out as a trial in two of our interchanges and bus services 8 and 28.

Our efforts did not go unnoticed by the LTA which presented us with the "Public Transport Safety Award (Bus Operator)" at its Annual Safety, Health and Environmental Award Convention. The Bukit Merah Bus Package (Contract PT203) clinched the Excellence award and the Jurong West Bus Package (Contract PT212) won the Merit award.

We accelerated the adoption of digital technologies so that our BCs were able to experience greater convenience in handling administrative functions. They are now able to report for work and their bus trips as well as swop duties with other BCs without having to be physically present at the reporting terminal to do so. Data analytics was extended to more areas to improve operational efficiency such as in optimising fuel efficiency, monitoring the rest duration of BCs and in obtaining passenger loading data.

As the pandemic continued unfettered in 2021, six of our bus interchanges - Bishan, Boon Lay, Clementi, Sengkang, Tampines and Toa Payoh - became COVID-19 clusters at the peak of the crisis in August 2021. With 99% of our BCs vaccinated against the virus, they largely displayed mild or no symptoms as they served their quarantine or stay-home notice.

Unfortunately, in the two months that followed, the public bus industry experienced a shortage of BCs as a result of COVID-19 infections. Up to 14% of our BC strength was affected at the peak.

Working with the LTA, we minimised the impact to our bus operations. BCs, who were on their rest days, voluntarily returned to driving duties to cover for their absent team mates, planners mapped out adjusted frequencies for the affected bus services while Service Controllers at the Operations Control Centres proactively managed the buses on the road to regulate bus arrival timings to minimise prolonged waiting times at bus stops. As a result, the increase in waiting times for the majority of affected bus services was within five minutes of their regular schedules. For a very small number of bus services, it was more than 10 minutes.

Concurrently, we further tightened our Safe Management Measures to minimise infection at the workplace. Mask-on

OPERATIONS REVIEW



and mask-off areas such as dining and resting corners were segregated. In mask-off areas, employees could only carry out their activities singly with a no-talking policy in force. High touch points such as staff washrooms were also cleaned and disinfected more regularly while high-efficiency particulate air purifiers were installed in the staff areas. BCs were also directed to disinfect their bus steering wheels before the start of each bus trip while more buses were used in ferrying BCs to work. We intensified Antigen Rapid Test (ART) testing for our staff and also made unannounced audit checks to ensure full compliance to tightened measures.

For our passengers, we continued with our stepped-up cleaning and disinfection regime with high passenger touch points cleaned at two-hourly intervals. Anti-microbial disinfectant spray continued to be applied in our buses and trains at regular frequency to maintain their level of protection. Mask-wearing was enforced and a no-talking policy was encouraged on our buses and trains to minimise the spread of droplets in the surrounding environment.

The pandemic did not stop us in our tracks as we continued to look ahead to the future of public bus transportation with Autonomous Vehicles (AV). We were involved in operating a commercial on-demand shuttle bus service using AVs on Jurong Island. Designed to run only during the lunch period, our BCs served as safety drivers on-board to take over the wheel in case

of emergencies. The AV service ran for three months until end April 2021 as an initiative under the national Emerging Stronger Taskforce to promote and accelerate sustainable deployment of robotics in Singapore. Prior to this, we were involved in two trials of operating these vehicles with ST Engineering on Jurong Island and Sentosa.

Meanwhile, we are also participating in a consortium with ST Engineering Autonomous Solutions, which had submitted a bid for an AV project, in a Call for Collaboration announced by the LTA and the Economic Development Board.

Our efforts in BC recruitment also continued unabated as we stepped up efforts to attract more locals to join us. A new recruitment campaign with the tagline - "Make a Difference. Everyday." - and a higher salary for locals with relevant heavy vehicle driving experience were introduced. For a limited period, we also doubled the quantum of the sign-on bonus to \$6,000. As at 31 December 2021, we had 5,811 BCs, of whom 414 were new hires.

For 2021, our bus passengers continued to appreciate our efforts with a total of 35,589 compliments and commendations received. We also saw opportunities to improve from the 2,499 valid complaints given. Overall, we achieved 60.5 compliments and commendations and 4.2 valid complaints per million passenger trips.

RAIL SERVICES

SBS Transit operated 78 stations during the year - 16 MRT stations on the North East Line (NEL), 34 MRT stations on the Downtown Line (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 kilometres translates into a market share of 30.6%.

Demand for rail services increased slightly by 4.5% with close to 271.3 million passenger trips made in 2021. Average daily ridership on the NEL, which started passenger service in 2003 as the world's first automated underground heavy rail system,

grew by 5% to 372,901 passenger trips. Average daily demand on the 42-km long DTL also increased but at a lower rate of 2.3% to 263,247 passenger trips while the SPLRT registered a 10.8% increase to 107,182 passenger trips.

Despite the increases, ridership is still a long way from reaching pre-COVID-19 levels. In fact, total ridership fell sharply in 2021 by 39% - NEL by 83.2 million, DTL 77.9 million and SPLRT 12.1 million - when compared to what they were just two years ago.

In spite of the lower ridership during the pandemic, SBS Transit has largely continued to maintain the frequency of our rail services at pre-COVID-19 levels to enable commuters, in particular essential workers, to get around conveniently.

Trains on the NEL arrived at a frequency of two minutes during morning peak hours, 2.5 minutes during 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 and 5.5 minutes during off-peak periods with 3,880 weekly trips made. The Light Rail Vehicles on the SPLRT operated 17,788 trips a week, which was an increase of 2.3% or 399 trips more a week compared to 2020. They arrived at a frequency of between three and five minutes during morning peak hours and between four and five minutes during evening peak periods.

In rail reliability, our rail networks continued to set the benchmark for the industry. Our Mean Kilometre Between Failure (MKBF), which is the internationally used measure for railway reliability, hit a record high for the industry. DTL clocked 4.19 million train-km compared to the nationwide MRT network's average of 1.99 million train-km. NEL came in second with 2.06 million train-km

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IN RAIL RELIABILITY, OUR RAIL NETWORKS CONTINUED TO SET THE BENCHMARK FOR THE INDUSTRY. OUR MEAN KILOMETRE BETWEEN FAILURE (MKBF), WHICH IS THE INTERNATIONALLY USED MEASURE FOR RAILWAY RELIABILITY, HIT A RECORD HIGH FOR THE INDUSTRY.

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OPERATIONS REVIEW



TO MAINTAIN A HIGH STANDARD IN RAIL RELIABILITY, OUR ENGINEERING TEAM CONTINUED TO WORK DILIGENTLY BEHIND THE SCENES. IN 2021, WE ACCELERATED THE SYSTEM-WIDE REPLACEMENT WORKS OF THE IN-RUNNING INSULATORS USED ON THE NEL OVERHEAD CATENARY SYSTEM (OCS).

and clocked an improvement over its 2020 performance of 2.04 million train-km. This was the second year running that both our MRT lines have achieved more than two million train-km in MKBF. The SPLRT achieved 341,000 train-km compared to the nationwide LRT network's average of 292,000 train-km.

To maintain a high standard in rail reliability, our engineering team continued to work diligently behind the scenes. In 2021, we accelerated the system-wide replacement works of the in-running insulators used on the NEL Overhead Catenary System (OCS). The OCS supplies power to the trains and NEL is the only MRT line in Singapore to be designed with such a power system. The works to replace the two-piece insulators with a newly-designed single piece component were intensified to enhance reliability of rail services. This was because the two-piece design had fractured and resulted in service disruptions in 2020 and 2021. Over three Fridays and Saturdays in April 2021, selected stations were closed earlier at 11.00pm to facilitate intensified replacement works. A dedicated shuttle bus service was in operation to maintain connectivity for passengers travelling along the affected sector.

For the SPLRT, works on the finger-joints of certain sections of the viaduct were conducted on 19 weekends from May to September 2021 as part of preventive maintenance to ensure the continued reliability of LRT services. As their repair works involved the hacking and curing of concrete, works were carried out in the day during passenger service hours with one loop in operation so as to minimise inconvenience to passengers and residents alike.

As a result of the engineering works and the use of condition monitoring systems, we were able to keep delays and disruptions to a minimum. In 2021, we did not experience any major service disruption on the DTL while there was one on the NEL and three on the SPLRT - a 33% reduction compared to the previous year.

Meanwhile, mid-life refurbishment works on the 25 first generation NEL trains which commenced in 2019 continued during the year. The first refurbished train was put back in service in February 2022 with the next one expected in June 2022.

The refurbished trains have new condition monitoring systems that monitor train performance more closely to facilitate better maintenance planning. Concurrently, the air-conditioning, ventilation and passenger information systems will be upgraded for better functionality while the interior fittings such as seats, panels and flooring will be replaced for more pleasant and comfortable rides for passengers. During the upgrading works, detailed inspections on all the mechanical and electrical systems of the train are also conducted with parts repaired or replaced where necessary. All 25 trains are expected to be refurbished by the fourth quarter of 2025.

To cater for additional passenger capacity with the planned opening of the NEL Punggol Coast Station in 2024, six new trains have arrived at the NEL depot for testing and commissioning works by the manufacturer, Alstom. They were ordered by the LTA in 2018 and shipped from Alstom's manufacturing facility in Barcelona, Spain in 2022. The new trains, when handed over to us, will grow the NEL fleet to 49 trains from its current 43.

A key development in 2021 was our DTL's transition to the NRFF Version 2, which the NEL and the SPLRT already operate on. It will reduce commercial volatility for us and is a more sustainable model for our rail operations. This will enable us to focus on the operations and maintenance of the rail system so that our operations can remain financially sustainable to continuously provide safe and reliable rail services to the public.

As part of the agreement, the LTA issued a consolidated licence to our wholly-owned subsidiary, SBS Transit Rail Pte Ltd, to operate the DTL, NEL and SPLRT for a period of 11 years which commenced on 1 January 2022. All our rail assets now come under this new subsidiary.

Under the new consolidated rail licence, we continued to hold rights to lease out the advertising spaces at all our 78 stations until 31 December 2023. Thereafter, the LTA may allow us to continue to operate all or any part of the rail advertising business from 1 January 2024 until the term of the consolidated rail licence expires.

Our continued efforts to ensure rail safety were recognised by the LTA at their 23rd Annual Safety, Health and Environmental Award Convention, which presented NEL with the "Public Transport Safety Award - Rail Operator (Excellence)".

To centrally drive asset, reliability and performance management to achieve high standards consistently in our engineering management, we set up a new Rail Engineering and Performance (REP) division.

We also collaborated with Thales of France to develop a video analytics solution that leverages existing CCTV networks to provide real-time data on commuter density at the MRT stations. The solution alerts staff to unexpected crowding so that prompt

action can be taken for passenger safety and comfort. It was subsequently extended to include the detection of unattended luggage and even unmasked commuters. The solution was tested at the NEL Woodleigh Station and will be deployed to five stations - Chinatown, Dhoby Ghaut, Little India, Outram Park and Serangoon - in 2022.

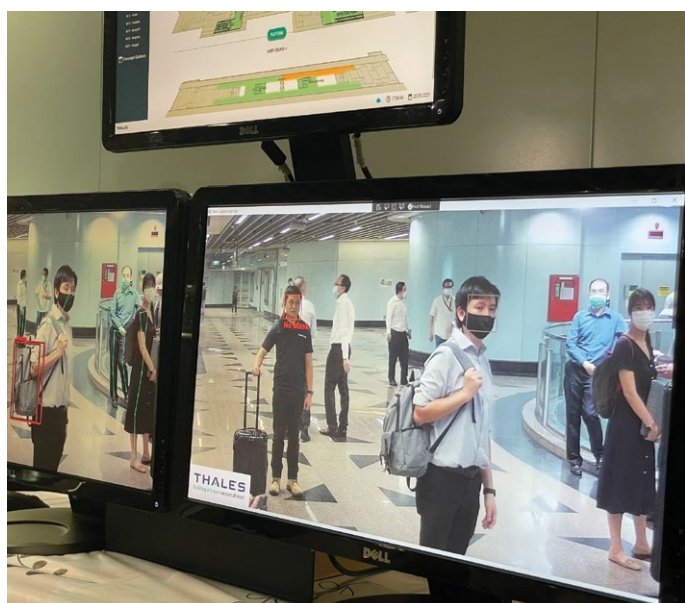
At the Sengkang Town Centre Station on the SPLRT, we also made use of video analytics technology on a track intrusion system to enhance passenger safety and security. This system, which is on trial until March 2022, automatically analyses CCTV images to detect a person or object that is on the tracks and automatically triggers an alert for investigation and rectification.

We did not let up in our efforts to promote escalator safety, in particular, to elderly passengers. Besides life-sized posters, flyers and giveaways to serve as visual reminders to hold onto escalator handrails firmly, we also play safety announcements in four languages. At the NEL Chinatown Station, we recorded the announcements in Hokkien and Cantonese to reach out to elderly passengers from the predominantly Chinese-speaking community in the neighbourhood. We also installed safety messages as visual reminders on the floor leading to escalators and staircases. From holding onto the handrails, passengers were also encouraged to use the lifts if they were carrying bulky items or using wheelchairs or prams. As an added measure, we carried out modification works to enable our escalators to travel at slower speeds during off-peak hours. To-date, we have carried out modification works on 31 escalators at a cost of \$1.26 million.

Passengers-in-wheelchairs (PIW) were also not forgotten as we sought to make travel on our MRT network inclusive. In 2021, we introduced priority boarding for PIWs at the boarding platforms across all our 50 MRT stations. Large prominent stickers have been installed to create awareness and visibility in a bid to ensure that able-bodied commuters give way to PIWs.

As the pandemic persisted for a second year, we continued with our stepped-up cleaning and disinfection efforts. Electrostatic Disinfectant Spray technology was employed on our trains to keep the virus at bay for about six months. They continued to be applied at regular intervals to ensure effective protection for our passengers. These were complemented by regular cleaning efforts on high contact points.

We continued to invest in our employees by encouraging our rail engineers to upskill themselves by enrolling in a first-ever, new competency-based degree programme. In a Memorandum of Understanding signed with the Singapore Institute of Technology, the public rail operators and the LTA have jointly developed this programme where our rail employees can earn credits obtained through work experiences towards fulfilling their requirements for a Bachelor or Master degree in Engineering Technology in Sustainable Infrastructure Engineering (Land). We are sponsoring three staff for this programme.



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On an industry level, we collaborated with the Institution of Engineers, Singapore (IES), the Singapore Standards Council (SSC), Enterprise Singapore (ESG) and other industry partners to develop three new Technical References (TR) on Railway Systems - TR 89 on safety performance and benchmarking in rapid transit system, TR 90 on maintenance of vehicle gauges and TR 94 on assisted service kiosks in stations. These new TRs provide rail technicians, engineers and stakeholders with the industry's best practices to enhance reliability, safety and productivity in railway solutions. These were presented at the World Engineers Summit 2021 during the launch of the Transportation Standards Committee (TPSC) where Minister for Transport graced the occasion.

Operating an essential transportation service, we continued to ensure our contingency plans remain relevant. Towards this end, "Exercise Endeavour", "Exercise Harmony" and "Exercise Pinnacle" were conducted to test our management and responses in handling incidents on our rail networks including cybersecurity attacks.

Exercises were also conducted with the Singapore Civil Defence Force (SCDF) to ensure readiness in managing floods and fire in our underground stations. "Exercise High Flame" was held at DTL Newton Station in August 2021, where we simulated a fire within one of the rooms in the station, while "Exercise High Waters" was conducted at DTL Fort Canning Station in September 2021, where we simulated a flash flood scenario at street level and deployed staff to set up a flood barrier system to keep the "water" out. Officers from both the LTA and the SCDF attended as observers in both exercises.

On the security front, we participated in "Exercise Station Guard" with the LTA to test and validate our security measures as well as familiarise commuters in their response in an emergency. At the NEL Serangoon Station, commuters entering the station were randomly selected to undergo security screening using a metal detector and had their belongings scanned by an X-ray machine.

We received a total of 679 compliments and commendations in 2021 - many of which were appreciation notes to our employees who had gone out of their way to retrieve articles that our passengers had accidentally left behind on the train networks. On the flip side, we received 475 valid complaints which were mainly about the condition of the areas outside the stations such as indiscriminate parking of bicycles and the general cleanliness of walkways. Overall, we achieved 2.5 compliments and commendations and 1.7 valid complaints per million passenger trips.

We also commissioned independent surveys to assess our customer satisfaction level. Our efforts to improve reliability resulted in more passengers giving us the thumbs up in this area. In 2021, 96.9% of them rated NEL as a reliable line compared to 93.8% the year before. Similarly, DTL's ratings as a reliable line also improved to 98.8% compared to 93.7% in 2020.

In the Customer Satisfaction Index of Singapore 2021 that was conducted by the Singapore Management University's Institute of Service Excellence, our rail services scored better than the industry's average. The overall customer satisfaction score for public transportation was 74.1. SBS Transit led the way by outperforming the industry with a score of 78.2 in the rail sector.



OTHER COMMERCIAL SERVICES

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

\$45.5

**REVENUE
(\$'MILLION)**

63

**TOTAL NUMBER OF
EMPLOYEES**



WE INSTALLED THE “GREAT WALL” - A 40-METRE WALL DECKED OUT WITH HIGH-DEFINITION VISUALS AND AUDIO TO CREATE AN IMMERSIVE EXPERIENCE. IT RUNS PARALLEL TO THE TRAVELLATOR ALONG THE LINKWAY TO ENRAPTURE THE ATTENTION OF PASSENGERS. ADVERTISERS HAVE BEEN EXCITED BY ITS MARKETING POTENTIAL WHICH LED TO ALL ITS ADVERTISEMENT SLOTS FULLY BOOKED UP FOR SEVEN STRAIGHT MONTHS FOLLOWING ITS LAUNCH IN AUGUST 2021.



ADVERTISING

With COVID-19 changing travel patterns, our advertising division which is managed by Moove Media, our sister company, did not sit idly by. It continued to innovate with bold ideas to capture the mindshare of passengers and create top-of-mind awareness for our advertisers.

At the Dhoby Ghaut Station, which is one of the busiest stations on the North East Line (NEL), it installed the “Great Wall” - a 40-metre wall decked out with high-definition visuals and audio to create an immersive experience. It runs parallel to the travellator along the linkway to enrapture the attention of passengers. Advertisers have been excited by its marketing potential which led to all its advertisement slots fully booked up for seven straight months following its launch in August 2021.

At the same station, it also installed the “Wonderwall” - a six-metre digital screen - which is by far its largest in an MRT station. Given its strategic location at the intersection of the NEL, North South and Circle Lines, it has since January 2021 offered advertisers a captive platform to draw mass attention. A major bank even booked up the wall for seven months to advertise its products and services.

OPERATIONS REVIEW



With the economy gradually recovering, Moove Media snagged its largest campaign on the Downtown Line (DTL) with a new telco service provider, TPG Mobile. In celebration of its first anniversary, TPG mobile launched an integrated advertising campaign to highlight its highly competitive SIM-only plan across a substantial number of trains and buses. This enabled it to reach out to consumers in both the heartlands and the business district.

In 2021, Moove Media also took the time to conduct its business with a heart. It sponsored \$35,000 worth of advertising space over the year-end holiday season to help publicise a community give-back initiative organised by Endowus, a digital financial advisor, in support of 15 charities including Rainbow Centre, Make-a-Wish Foundation and the Boys' Town.

SBS Transit also reached out to other charity groups. For example, we played a specially produced video by St Luke's Hospital for a month across all our 17 bus interchanges at no charge in support of their "Silver Hair" social media campaign which is aimed at inspiring positive ageing. We also lent support to The Helping Hand, a halfway house for the rehabilitation of former drug addicts, by sponsoring some of the advertising spaces at 12 of our MRT stations to promote their fundraising efforts which included the sale of baked goods and teak furniture.

RENTAL OF COMMERCIAL SPACES

In 2021, in spite of the pandemic, 95% of the commercial spaces in our bus interchanges and MRT stations continued to be leased out. Our tenants were mainly food and beverage businesses, retail and convenience stores as well as those offering medical, education and beauty/wellness services.

During the challenging COVID-19 period, which persisted for a second year, we continued to extend rental rebates to our tenants to assist them. Concurrently, we organised promotional activities during festive seasons to help boost sales at their outlets. Attractive premiums such as auspicious "ox" keychains for the Chinese New Year were produced and handed to customers at participating outlets subject to a minimum spend. Our employees were also incentivised to patronise the shops through a staff discount scheme.

As an active proponent of sustainable business practices, we hosted a webinar to help our tenants in adopting a more sustainable business model. We encouraged them to pursue green initiatives which could help improve their bottom line and enhance brand reputation.



CORPORATE GOVERNANCE

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

We will continue to:

- Focus relentlessly on our customers;
- Make corporate decisions to generate long-term value rather than for short-term considerations;
- Maintain our lean culture through cost efficiencies to drive value creation;
- Hire and retain skilled and dedicated employees; and
- Look for sustainable ways to protect the environment.

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 can trust and be proud of.

The Group is committed to ensuring the Group’s compliance with the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 (the “Code”). 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 also 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 2021 (“FY2021”), with specific references to the Code. For FY2021, 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 act in good faith and exercise independent judgement in the best interests of the Company.

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 Board is headed by the Independent Non-Executive Chairman, Mr Bob Tan Beng Hai (the “Chairman”), and is responsible for:

- Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the Group (which include appropriate focus on value creation, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- 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;
- Challenging Management constructively and monitoring its performance;
- Identifying the key stakeholder groups and guiding Management in the Group’s strategy and approach in addressing the concerns of these key stakeholder groups, and ensuring transparency and accountability to all stakeholders;
- Instilling an ethical corporate culture and ensuring the Group’s values, standards, policies and practices are consistent with the Group’s culture; and
- Considering environmental, social and governance (“ESG”) issues as part of its strategic formulation on sustainability.

INDUCTION, TRAINING AND DEVELOPMENT OF DIRECTORS

Upon appointment as a Director, the Chairman will issue an official letter of appointment to the Director, which clearly sets out his/her role, duties and responsibilities as a director of the Company. 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.

CORPORATE GOVERNANCE

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 new 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.

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 a Director of the Company. The fees for the courses are paid for by the Company.

The Company Secretary also updates and briefs 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 FY2021, the Directors attended the courses/seminars listed below:

DATE	TRAINING PROVIDER	TOPIC	ATTENDED BY:
13 & 14 Jul 2021	SID	Listed Entity Director Essentials	
19 May 2021	SID	Board Dynamics	Cheng Siak Kian (new director of listed company)
20 May 2021	SID	Board Performance	
12 Oct 2021	SID	Stakeholder Engagement	
5 & 6 Oct 2021	SID	Listed Entity Director Essentials	Desmond Choo Pey Ching (new director of listed company)
15 Jul 2021	SID	Board Dynamics	
8 Oct 2021	SID	Board Performance	
22 Jul 2021	SID	Board Risk Committee Essentials	Desmond Choo Pey Ching (new director of listed company) Lee Sok Koon
29 Jan 2021	Accenture Innovation Hub	New Technology Overview	Yu Ching Man Lee Sok Koon Susan Kong Yim Pui Chua Mui Hoong

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 the 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 interact with the Management and review the Group's future plans and proposals for new business opportunities, with the latest strategy meeting held in November 2021.

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 such delegation.

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. Where a Director has a conflict of interest, or it appears that he/she might have a conflict of interest in relation to any matter, the Director must immediately declare his/her interest at a meeting of the Directors or send a written notice to 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.

DELEGATION BY THE BOARD

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making, five Board Committees were formed, namely, the Audit and Risk Committee ("**ARC**"), the Nominating and Remuneration Committee ("**NRC**"), the Service Quality Committee ("**SQC**"), the SBST Tenders Committee ("**SBSTTC**") and the Sustainability Committee ("**SC**") which was formed on 29 April 2021 (collectively, the "**Board Committees**"). Ad hoc committees are also formed to look at specific issues from time to time.

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 Nominating Committee and the Remuneration Committee were merged into one single Board Committee, the NRC, on 29 April 2021, for greater efficiency in the review of the appointment, performance and compensation of Directors and Key Management Personnel.

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 40 to 51. The SQC's terms of reference are to provide strategic directions and review initiatives to enhance the Group's service quality standards, customer service and safety. The SQC also reviews customers' feedback on service quality. The SBSTTC was established with the terms of reference to oversee the Group's bus and rail tender strategies and provide guidance on bid preparations. 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.

As at 31 December 2021, the SC comprised five (5) Directors, including the Chairman and the Chief Executive Officer ("**CEO**"). 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, 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, investment strategy and business goals; and
- (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.

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

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 yearly 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, while the Board Meeting to approve the annual budget is held in the last quarter of each year after the budget of the Company's subsidiary has been approved by its Board. 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, are able to participate in the discussions through video/audio/teleconferencing. 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.

CORPORATE GOVERNANCE

ATTENDANCE OF DIRECTORS AT ANNUAL GENERAL MEETING, BOARD AND BOARD COMMITTEE MEETINGS IN FY2021

NAME	BOARD		AUDIT & RISK COMMITTEE		NOMINATING COMMITTEE ^(f)		REMUNERATION COMMITTEE ^(f)	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
BOB TAN BENG HAI ^(a)	7	4	-	-	-	-	-	-
YANG BAN SENG	7	7	4	3	1	1 ^(b)	1	1 ^(b)
CHENG SIAK KIAN ^(c)	7	4	-	-	1	1 ^(b)	-	-
DESMOND CHOO PEY CHING ^(d)	7	4	4	3	-	-	-	-
CHUA MUI HOONG	7	6	4	4	-	-	-	-
SUSAN KONG YIM PUI	7	7	-	-	1	1	1	1
LEE SOK KOON	7	7	4	4	-	-	-	-
LIM SEH CHUN	7	7	4	1	1	1	-	-
TAN KIM SIEW	7	7	4	4	-	-	-	-
YU CHING MAN	7	7	-	-	-	-	1	1
LIM JIT POH ^(e)	7	3	-	-	1	1	1	1
JOHN DE PAYVA ^(e)	7	3	-	-	-	-	1	1
LIM SIANG HOE BENNY ^(e)	7	3	4	1	1	1	-	-

Notes:

- Appointed as Independent Non-Executive Director and Chairman with effect from 29 April 2021
- Not a member but attended meetings by invitation of the Committee.
- Appointed as Non-Independent Executive Director with effect from 29 April 2021
- Appointed as Independent Non-Executive Director with effect from 29 April 2021
- Retired at the conclusion of the Company's AGM held on 29 April 2021
- The Nominating and Remuneration Committee merged to form the Nominating and Remuneration Committee on 29 April 2021
- The SBST Tenders Committee did not formally convene any meeting in FY2021 as there were no public tenders that required the SBST Tenders Committee members to discuss and assess the feasibility of any specific bid or tender terms and particularly, the Board was deeply engaged with the Management in the review of the Downtown Line transaction with LTA in FY2021. Nevertheless, members of the SBST Tenders Committee have conducted informal discussions during the year for the purpose of preparing and devising initiatives and competitive strategies for the future tenders that the Group may participate in.
- The Sustainability Committee was established on 29 April 2021

ACCESS TO INFORMATION

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information. 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.

INDEPENDENT PROFESSIONAL ADVICE

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. 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.

COMPANY SECRETARY

The Company Secretary assists in organising Board and Board Committee Meetings, and prepares the agenda in consultation with the Chairman, the CEO and the chairpersons of the respective Board Committees. The Company Secretary attends all Board

NOMINATING AND REMUNERATION COMMITTEE ^(f)		SERVICE QUALITY COMMITTEE		SBST TENDERS COMMITTEE ^(g)		SUSTAINABILITY COMMITTEE ^(h)		ANNUAL GENERAL MEETING	
No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
1	1	-	-	-	-	2	2	-	-
1	1	-	-	-	-	-	-	1	1
1	1 ^(b)	2	1	-	-	2	1	-	-
1	1	-	-	-	-	2	2	-	-
-	-	2	2	-	-	-	-	1	1
1	1	-	-	-	-	-	-	1	1
-	-	2	2	-	-	-	-	1	1
1	1	-	-	-	-	2	2	1	1
1	1	2	2	-	-	-	-	1	1
-	-	2	2	-	-	2	2	1	1
-	-	-	-	-	-	-	-	1	1
-	-	2	1	-	-	-	-	1	1
-	-	-	-	-	-	-	-	1	1

and Board Committee Meetings. The Company Secretary keeps the Directors informed of any significant developments or events relating to the Group, including compliance with all relevant rules and regulations. The Directors have separate and independent access to the Company Secretary. The appointment and removal of the Company Secretary are subject to the approval of the Board.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

BOARD INDEPENDENCE

As at 31 December 2021, the Board comprised ten (10) Directors with 80% independent Directors. There is a strong level of independence in the Board. Except for the CEO who is a Non-Independent Executive Director and the Deputy Chairman who is a Non-Independent Non-Executive Director, all the remaining

eight (8) Non-Executive Directors (“**NED**”) are considered by the NRC to be independent. The Deputy Chairman is deemed non-independent as he is a nominee of ComfortDelGro Corporation Limited (“**ComfortDelGro**”), a substantial shareholder of the Company. The current board composition exceeds the requirement under the Listing Rules and the Code that at least one-third of the Board comprises independent Directors. It is also noted that the Chairman, Deputy Chairman and the CEO 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 influence the decisions of the Board as the over-whelming majority of the Directors are independent NEDs.

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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 substantial shareholder in the current and immediate past financial year as non-independent. Mr Yang Ban Seng, the Non-Executive Deputy Chairman is deemed as non-independent as he is both the nominee director and the Managing Director/Group CEO of ComfortDelGro.

As at 31 December 2021, Professor Lim Seh Chun is the only one out of the eight independent Directors, who has served on the Board for more than nine (9) years. However, Professor Lim was re-elected as an Independent Non-Executive Director of the Company at the Annual General Meeting (“AGM”), in 2021 pursuant to a two-tier shareholder vote prescribed under Rule 210(5)(d)(iii) of the SGX-ST Listing Manual, and shall continue to be designated as Independent Non-Executive Director until Professor Lim’s retirement or resignation as Director, or the conclusion of the AGM of the Company in 2024. The NRC takes the view that a Director’s independence should not be determined solely and arbitrarily on the basis of the length of service. A Director’s contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent Directors. In taking a holistic approach, the Board and the NRC exercise due and careful review, taking into consideration various factors, in assessing the independence of a Director. These factors include, inter alia, if 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. The Board is of the view that all independent Directors remain independent in the exercise of their judgement on Board matters.

Mr Yang Ban Seng has expressed his desire not to stand for re-election but to retire as a Director at the conclusion of the forthcoming AGM. Upon his retirement, there will be nine (9) Directors on the Board, eight (8) of whom are considered to be independent. The composition of the Board following the retirement of Mr Yang Ban Seng will remain in compliance with the Code.

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.

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, experiences, age and gender and that the size 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

The bulk of the Group’s businesses is 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 current size of ten (10) Directors is appropriate.

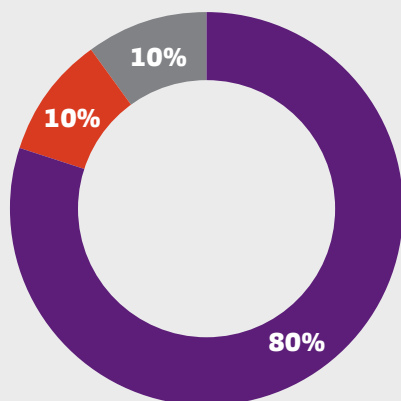
The Group is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

BOARD DIVERSITY POLICY

The Company adopted a Board Diversity Policy in 2019, which focusses on ensuring an appropriate balance and mix of skills, knowledge, experience, gender and other aspects of diversity within the Board to avoid groupthink and bias, and foster constructive debate and achieve effective decision making in the best interests of the Group.

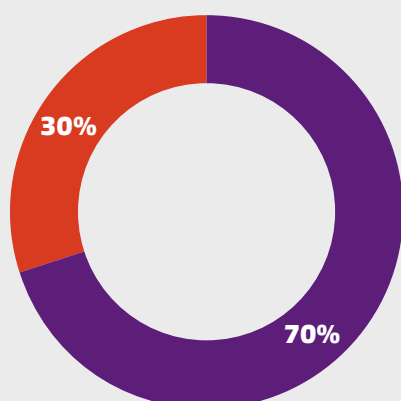
In reviewing the Board composition and succession planning, the NRC considers various aspects of diversity, with all Board appointments and re-appointments based on merit, and due consideration being given to a candidate’s suitability in strengthening the diversity of skills, experience, gender, knowledge 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 that at least one (1) female Director sits on the NRC. As at 31 December 2021, out of ten (10) Directors on the Board three (3) of them or 30% are females. Ms Susan Kong Yim Pui is the Chairperson of the NRC and this meets the target of the Board Diversity Policy of having at least one (1) female Director on the NRC.

BOARD INDEPENDENCE (As at 31 December 2021)



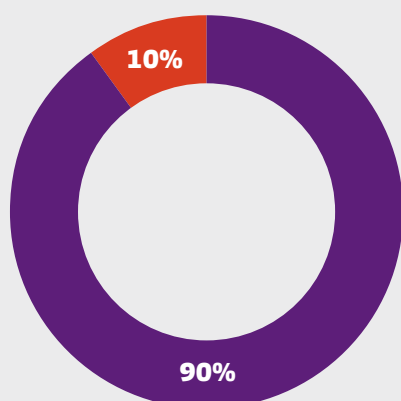
- Independent Non-Executive Director
- Non-Independent & Non-Executive Director
- Non-Independent & Executive Director

BOARD GENDER DIVERSITY (As at 31 December 2021)



- Male
- Female

DIRECTORS' LENGTH OF SERVICE (As at 31 December 2021)



- Served < 9 years
- Served > 9 years

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. 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 comprise Directors who as a group provide an appropriate balance and diversity of skills, knowledge, experience, age and 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 NRC also ensures that the Board Diversity Policy is reviewed from time to time and ascertains that the current makeup of the Board and Board Committees reflects the Group's commitment to all aspects of diversity.

The individual profile of the Directors, their listed company directorships and principal commitments held currently and in the preceding five (5) years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 12 to 16 and pages 55 to 56 of this Annual Report.

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 the 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.

All the members of the ARC and NRC are NEDs. There is no Executive Director on these Board Committees.

The Chairman, who is not a member of the ARC, meets with the Chairperson of the ARC and External Auditors annually in the absence 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 chairman of such meetings provides feedback to the Board and/or Chairman as appropriate.

CORPORATE GOVERNANCE

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

ROLES OF CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER ("CEO")

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

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 actions;
- (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 CEO; and
- (v) Promotes high standards of corporate governance and transparency.

The 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.

The Chairman and the 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.

Mr Yang Ban Seng was re-designated as a Non-Executive Deputy Chairman on 1 March 2021, following the appointment of Mr Cheng Siak Kian as CEO on the same date.

LEAD INDEPENDENT DIRECTOR

Consistent with the Code, the Board unanimously appointed Professor Lim Seh Chun as the Lead Independent Director with effect from 26 April 2019, as the previous Chairman, Mr Lim Jit Poh being a nominee director of ComfortDelGro was deemed not to be independent, to provide leadership in situations where the Chairman was conflicted. When Mr Lim Jit Poh stepped down on 29 April 2021 and Mr Bob Tan Beng Hai was consecutively appointed as an Independent Non-Executive Director and Chairman of the Board, there was no need for a lead independent director. Professor Lim was re-elected at the 2021 AGM as an Independent Non-Executive Director but stepped down as Lead Independent Director at the same AGM. Up to 29 April 2021, when the Nominating Committee was merged with Remuneration Committee, Professor Lim, as the Lead Independent Director, chaired the Nominating Committee. When he was the Lead Independent Director, he was always available to shareholders if they had concerns for which contact through normal channels of communication with the Chairman or Management were inappropriate or inadequate.

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.

NOMINATING AND REMUNERATION COMMITTEE

As at 31 December 2021, the NRC comprised six (6) NEDs, of whom five (5), including the Chairperson of the NRC, are independent. The NRC is responsible for regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place. 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 Board's succession plans, in particular the appointment and/or replacement of the Board Chairman, Deputy Chairman, Directors, CEO and other Key Management Personnel, and make recommendations to the Board on all appointments and re-appointments of Directors of the Company;
- (ii) Assess the effectiveness of the Board and Board Committees and the contributions by each individual Director;
- (iii) Develop a process for performance evaluation of the Board, its Board Committees and individual Director's performance, including comparison with industry peers;

- (iv) Determine annually, and as and when circumstances require, if a Director continues to be considered independent; and
- (v) Make recommendations to the Board on the review of training and professional development programmes for the Board and the Directors.

MULTIPLE BOARD REPRESENTATIONS

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 three (3) listed companies; and
- A Director who is not in full-time employment should not serve as a Director on the Board of more than six (6) 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 six (6) directorships in listed companies if he is not in full-time employment and not more than three (3) directorships in listed companies if he is in full-time employment.

In assessing a Director's contribution, the NRC takes a holistic approach. Focussing 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 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 CEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman does also ensure that the CEO will not accept appointments to the boards of competitors.

As at 31 December 2021, all Directors comply with the guidelines on multiple board representation.

ALTERNATE DIRECTOR

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

PROCESS FOR SELECTION, APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As part of the Board succession plan, new Directors 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.
- (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 1995, all appointments to the Board are subject to approvals of the Land Transport Authority of Singapore ("LTA").

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 Bob Tan Beng Hai, Mr Desmond Choo Pey Ching and Mr Cheng Siak Kian, who were appointed at the last AGM, are subject to retirement and re-election, and Mr Yang Ban Seng, Ms Lee Sok Koon and Professor Yu Ching Man are due for re-election pursuant to Regulation 100 of the Constitution of the Company. Mr Yang Ban Seng has expressed

CORPORATE GOVERNANCE

his desire to retire from the Board as well as the board of directors of SBS Transit Rail Pte Ltd (formerly known as SBS Transit DTL Pte Ltd) ("**SBST Rail**"), a subsidiary of the Company, at the conclusion of the forthcoming AGM.

The Group is grateful to Mr Yang Ban Seng for his dedicated service and extensive contributions to the Group, having served as Non-Executive Deputy Chairman from 1 May 2017 to 14 January 2019, Executive Deputy Chairman and CEO from 15 January 2019 to 28 February 2021, and Non-Executive Deputy Chairman from 1 March 2021, as well as director of SBST Rail from 15 June 2017.

KEY INFORMATION ON DIRECTORS

The profiles of the Directors and key information are set out in this Annual Report from pages 12 to 16. 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.

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.

The annual evaluation process (including for FY2021) for the Board, Board Committees and individual Directors involves the following:

- (i) Each Director completes an individual director's self-assessment form.
- (ii) The NRC members each completes a Board performance evaluation questionnaire.
- (iii) The respective Board Committee members completes the relevant Board Committee evaluation questionnaire.
- (iv) The results of the completed Board Committee questionnaires are collated by the Company Secretary and sent to the chairpersons of the respective Board Committees as well as to the Chairman for review.

(v) The results of the completed Board questionnaires and the individual self-assessment forms are collated by the Company Secretary and sent to the Chairman for review.

(vi) The collated results of the completed Board questionnaires, Board Committee questionnaires and individual self-assessment forms are presented to the Board for review, endorsement, and discussion on possible areas for improvement to enhance overall effectiveness.

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.

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.

NOMINATING AND REMUNERATION COMMITTEE

The NRC plays an important role in the Group's remuneration policies, as well as oversees the talent management and succession planning for Key Management Personnel. Besides providing the Board with an independent review and assessment of the Directors' remuneration, 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 that shareholder value is enhanced.

The NRC considers all aspects of remuneration including the terms of termination, to ensure that they are fair. All members of the NRC are NEDs, the majority of whom, including the Chairperson of the NRC, are independent of Management and are also free from any business or other relationships which may materially interfere with the exercise of independent judgement.

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 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 Key Management Personnel 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 Key Management Personnel, 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 Key Management Personnel that is aligned with the long-term interests of the Group to ensure that the overall remuneration package is appropriate to attract, retain and motivate Key Management Personnel 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 Key Management Personnels' 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) Oversee the administration of the SBS Executive Share Scheme ("**Share Scheme**") which shall include but not be limited to the offer and grant of shares to Key Management Personnel 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.

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 FY2021, 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 Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Group, taking into account the strategic objectives of the Group, and it is appropriate to attract, retain and motivate the Directors and Key Management Personnel to successfully manage the Group for the long term.

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 CEO and Key Management Personnel 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.

SHORT-TERM AND LONG-TERM INCENTIVE SCHEMES - SBS EXECUTIVE SHARE SCHEME

The Company obtained shareholders' approval at its AGM held on 29 April 2021 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 and/or vesting schedule pursuant to which awards shall vest.

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.

CORPORATE GOVERNANCE

REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

The CEO, being an executive of the Group, does not retain any fees paid by the Company's subsidiary. Instead, fees due to him are paid by the Company's subsidiary to the Company. The CEO does not receive Director's fees for his Board Directorship with the Company's subsidiary.

The Directors' fee structure for FY2021 is set out below:

BOARD	BASIC FEE (PER ANNUM)	
Chairman	\$66,000	
Deputy Chairman	\$49,500	
Lead Independent Director	\$39,600	
Member	\$33,000	

BOARD COMMITTEE	ADDITIONAL FEES (PER ANNUM) AS	
	CHAIRMAN	MEMBER
Audit and Risk Committee	\$22,000	\$15,400
Nominating Committee	\$11,000	\$7,700
Remuneration Committee	\$11,000	\$7,700
Nominating and Remuneration Committee (Formed on 29 April 2021)	\$13,200	\$9,240
Service Quality Committee	\$11,000	\$7,700
SBST Tenders Committee	\$11,000	\$7,700
Sustainability Committee (Formed on 29 April 2021)	\$11,000	\$7,700

In light of the trend for meetings to be held remotely via video conferences, attendance fees were equalised between in-person and dial-in remote attendance with effect from 1 January 2021. The attendance fees payable to Non-Executive Directors for attendance at each Board and Board Committee Meeting are as follows:

MEETINGS	ATTENDANCE FEE (PER MEETING)
	IN-PERSON/DIAL-IN
Board / Board Committee Meeting held locally	\$2,000
Board / Board Committee Meeting held overseas	US\$2,000

* Directors are only paid one attendance fee per day irrespective of the number of meetings held on the same day.

PRINCIPLE 8: DISCLOSURE ON REMUNERATION**REMUNERATION OF DIRECTORS AND EXECUTIVES**

CEO's remuneration:

	THE GROUP			
	SALARY	BONUS	OTHERS	TOTAL COMPENSATION
FY2021 REMUNERATION	\$	\$	\$	\$
CHENG SIAK KIAN	319,200	252,700	116,940	688,840

The remuneration of the Non-Executive Directors comprised entirely Directors' fees as follows:

	DIRECTORS' FEES
	FY2021
	\$
BOB TAN BENG HAI¹	63,571
YANG BAN SENG²	64,628
CHENG SIAK KIAN³	-
DESMOND CHOO PEY CHING⁴	44,217
CHUA MUI HOONG	56,100
SUSAN KONG YIM PUI	55,729
LEE SOK KOON	70,400
LIM SEH CHUN	57,547
TAN KIM SIEW	62,353
YU CHING MAN	59,421
LIM JIT POH⁵	30,124
JOHN DE PAYVA⁶	15,779
LIM SIANG HOE, BENNY⁷	18,290

Notes

- 1 Mr Tan was appointed as Independent Non-Executive Director and Chairman with effect from 29 April 2021.
- 2 Mr Yang was re-designated as Non-Executive Deputy Chairman on 1 March 2021.
- 3 Mr Cheng was appointed as Non-Independent Executive Director with effect from 29 April 2021. No Director's Fees will be paid to him for FY2021.
- 4 Mr Choo was appointed as Independent Non-Executive Director with effect from 29 April 2021.
- 5 Mr Lim retired as Chairman and Non-Independent Non-Executive Director at the conclusion of the Company's AGM held on 29 April 2021.
- 6 Mr De Payva retired as Independent Non-Executive Director at the conclusion of the Company's AGM held on 29 April 2021.
- 7 Mr Lim Siang Hoe, Benny retired as Independent Non-Executive Director at the conclusion of the Company's AGM held on 29 April 2021.

CORPORATE GOVERNANCE

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

	THE GROUP			
	SALARY	BONUS	OTHERS	TOTAL COMPENSATION
FY2021 REMUNERATION BAND	%	%	%	%
\$250,000 to \$499,999				
SIM VEE MING, JEFFREY	51.9	34.6	13.5	100
GOEI BENG GUAN, ALEX	58.3	29.1	12.6	100
TAN ENG KOK, IVAN	55.5	32.3	12.2	100
PANG FUI ENG, IVAN	52.1	32.6	15.3	100
FOO JANG KAE	53.5	31.2	15.3	100

The total remuneration paid to these five (5) Key Management Personnel holding the key portfolios (who are not Directors or the CEO) amounted to \$2,090,340.

REMUNERATION OF CERTAIN RELATED EMPLOYEES

During the FY2021, no employee whose remuneration exceeded \$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director or the CEO. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

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 formalised a 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 Ltd ("**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 the full-year results 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 and 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.

Risk management is an important and integral part of the Group's strategic planning and decision-making process. Key risks are identified and presented to the ARC and Board annually. Ownership of the risk management process is clearly defined and cascaded 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 57 to 59 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. In FY2021, the Group continued with its engagement of the external consultant to strengthen its risk management framework.

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.

For FY2021, the Board has received assurance from the 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 2021, the ARC comprised four (4) Independent NEDs 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.

The ARC members 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 SBS Transit Ltd. She is also a member of both the Service Quality Committee and the SBST Tenders Committee of the Company. She is also an Independent Non-Executive Director of Japan Foods Holding Ltd, Lum Chang Holdings Ltd and Mooreast Holdings Ltd, public listed companies on the Singapore Exchange and an honorary member of the School's Fundraising Committee of Singapore Arts School Ltd, Singapore's first pre-tertiary specialised arts school. Ms Lee is also 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. 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 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 Member of the Institute of Singapore Chartered Accountants and a member of the Institute of Directors in Singapore.

CORPORATE GOVERNANCE

(ii) Ms Chua Mui Hoong is an Independent Non-Executive Director of SBS Transit Ltd. She is also a member of the Service Quality Committee of the Company. 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 has over 30 years' experience in the media sector. As an Associate Editor at The Straits Times, she writes regularly 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.

(iii) Mr Yang Ban Seng is a Non-Independent Non-Executive Director of SBS Transit Ltd. He is also the Deputy Chairman and a member of both the Nominating and Remuneration Committee and the SBST Tenders Committee of the Company. He is concurrently the Managing Director/Group Chief Executive Officer of ComfortDelGro and Deputy Chairman of VICOM Ltd. Prior to this, he was the Chief Executive Officer of ComfortDelGro's Taxi Business in Singapore where he oversaw the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Before joining the ComfortDelGro Group in 1989, Mr Yang served as an Assistant Director of the Ministry of Education, the Deputy Director of the Ministry of Home Affairs and the National Trades Union Congress' Secretary for Cooperatives. He was awarded the Medal of Commendation at the NTUC's May Day Awards in 2013, and Medal of Commendation (Gold) at the NTUC's May Day Awards in 2021. Mr Yang holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester and a Master of Business Administration from the National University of Singapore.

(iv) Mr Desmond Choo Pey Ching is an Independent Non-Executive Director of SBS Transit Ltd. He is also a member of both the Nominating and Remuneration Committee and the Sustainability Committee of the Company. 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.

(v) Dr Tan Kim Siew is an Independent Non-Executive Director of SBS Transit Ltd. He is also a member of both the Nominating and Remuneration Committee and the Service Quality Committee of the Company. He is also an Independent Non-Executive Director of VICOM Ltd. Dr Tan is presently a Senior Consultant in the Ministry of Finance and Chairman of the Governing Board for the Mechanobiology Institute, National University of Singapore. 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 CEO 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.

The details of the ARC members' credentials are found on pages 12 to 16 of this Annual Report.

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

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) Reviews 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;

- (ii) Reviews the effectiveness, adequacy, independence, scope and results of the Group's external audit and internal audit function;
- (iii) Reviews the semi-annual and annual financial statements and also 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;
- (iv) Reviews the assurance from the CEO and the CFO on the financial records and financial statements;
- (v) Reviews 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) Reviews Interested Person Transactions;
- (vii) Makes recommendations to the Board on: (i) the proposal to the shareholders on the appointment and removal of the External Auditors; and (ii) the remuneration and terms of engagement of the External Auditors;
- (viii) Reviews and approves the annual audit plans of the External Auditors;
- (ix) Reviews and approves the Internal Auditors' annual and three-year rolling work plans; and
- (x) Reviews the policy and arrangements for concerns about possible improprieties in financial reporting or other 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 51 and 59 of this Annual Report.

AUDIT AND RISK COMMITTEE'S ACTIVITIES

The ARC held four (4) meetings during the financial year under review. The CEO, CFO, and the ComfortDelGro Group Chief Internal Audit Officer ("**GCIAO**") were present at these meetings. The External Auditors attended the meetings that discussed the half yearly 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) Half-yearly and full year results announcements and the financial statements and recommendation to the Board;
- (iv) Adoption of the Singapore Financial Reporting Standards (International);
- (v) Interested Person Transactions;
- (vi) Corporate service charges;
- (vii) Risk management and adequacy and effectiveness of internal controls;
- (viii) Independence of the External Auditors;
- (ix) Recommendation to the Board of the re-appointment of External Auditors and its remuneration; and
- (x) 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 in the absence 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

SIGNIFICANT FINANCIAL REPORTING MATTERS

In the review of the financial statements of the Group for FY2021, the ARC considered the following key audit matters:

SIGNIFICANT MATTERS	REVIEW OF SIGNIFICANT MATTERS BY THE ARC
Transition of the Downtown Line to the New Rail Financing Framework Version 2	<p>The ARC has considered the areas of significant judgement used by Management in projecting the future financial performance of the DTL, NEL and SPLRT under the terms of the Consolidated Rail Licence. Following the review and discussions with Management and the External Auditors together with the assessment by the external independent third party consultant, 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.</p>
Valuation and completeness of provision for accident claims	<p>The ARC considered the approach and methodology applied to the valuation and completeness of provision for settlement of accident claims. Following the review and discussions with Management and the External Auditors, the ARC is satisfied with the estimates used in determining the probability and amounts of expected settlement claims.</p>

Following the review and discussions on the above, the ARC recommended to the Board to approve the financial statements of the Group for FY2021.

REVIEW OF INDEPENDENCE OF EXTERNAL AUDITORS

Prior to the re-appointment of the External Auditors, the ARC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority and the Accountants Act 2004. Having satisfied itself that the independence of the External Auditors, Deloitte & Touche LLP, 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 Deloitte & Touche LLP be nominated for reappointment as the Company's External Auditors at the next AGM.

As a further safeguard of Deloitte & Touche LLP's independence, the partner in-charge of auditing the Company is changed every five (5) years.

INTERNAL AUDIT

The Internal Audit function of the Group is performed by ComfortDelGro's Group Internal Audit Division comprising of suitably qualified and experienced Internal Audit staff including the 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 Corporation Ltd. The ARC participates in the hiring, removal and evaluation of the GCIAO and reviews his compensation with the Managing Director/Group CEO of ComfortDelGro.

The ComfortDelGro Group Internal Audit 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 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 in the absence of Management. The ComfortDelGro Group Internal Audit 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 ComfortDelGro Group Internal Audit 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 ComfortDelGro Group Internal Audit 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 ComfortDelGro Group Internal Audit Division successfully completed its external Quality Assurance Review in 2018 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects. The next Quality Assurance Review is scheduled for 2023.

The ARC finds the ComfortDelGro Group Internal Audit Division independent, effective and adequately resourced.

WHISTLEBLOWING POLICY

The Whistleblowing Policy is to provide 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 Chairperson of the Audit and Risk Committee and/or the Group Chief Internal Audit Officer. All cases are investigated and overseen by Group Internal Audit, and dealt with promptly and thoroughly. The number of whistleblowing cases regardless of significance will be registered by the Group Chief Internal Audit Officer, and will be reported to the Audit and Risk Committee quarterly.

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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. 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.

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.

CONDUCT OF SHAREHOLDER MEETING

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 in 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, CEO and the chairpersons of the various Board Committees together with Senior Management and the Company Secretary 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.

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 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.

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 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 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 month after the date of the AGM.

CORPORATE GOVERNANCE

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. We believe that this will encourage greater shareholders' participation at the Company's General Meetings and demonstrates SBS Transit's commitment to high standards of corporate governance and transparency.

The Company's AGM for the Financial Year ended 31 December 2020 was held on 29 April 2021 both physically and by way of audio-visual electronic means as a result of restrictions on physical interactions due to the COVID-19 pandemic.

The FY2021 AGM scheduled to be held on 28 April 2022 will also be held both (i) physically pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("**Physical Meeting**") and (ii) by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Virtual Meeting**"). To facilitate high levels of shareholders engagement, real-time communication and real-time live voting will be conducted during the AGM for shareholders and proxy(ies) attending the Physical Meeting and Virtual Meeting. Due to the current COVID-19 situation, the Company may restrict the number of attendees at the Physical Meeting in compliance with the prevailing national guidelines and regulations. 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 FY2021 AGM of the Company for more information.

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

REGULAR, EFFECTIVE AND FAIR COMMUNICATIONS WITH SHAREHOLDERS

It is our policy to disseminate accurate and pertinent information 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. The dedicated Group IR Team works with senior management to proactively carry out this engagement programme.

Communications with the SGX-ST is handled by the Company Secretary, 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.

5. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company recognises the importance of engaging and 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.

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. 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.

The Company maintains a corporate website to communicate and engage with stakeholders.

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. The Group complies with applicable statutory requirements and regulations and procedures are put in place to guide proper safe work practices for the well-being of all employees and customers. Employees are sent for training to equip them with the required competencies.

Employees are required to observe safety rules and carry out safe work practices that apply to their jobs to ensure a safe work environment for everyone.

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, restricted and unrestricted 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.

CYBER SECURITY POLICY

The Group has adopted the international Information Security Standard ISO 27000 in assessing and formulating the Group's cyber security framework. The Group regularly reviews its cyber security 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 cyber security authorities and regulators to develop appropriate countermeasures.

The Group will continue to strengthen its capabilities in light of the way cyber security 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.

CORPORATE GOVERNANCE

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.

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	ComfortDelGro is the majority shareholder of the Company	\$9,083,000	Nil
VICOM Ltd	VICOM is an associate of the Company	\$1,408,000	Nil

The aggregate value of the above transactions does not include the aggregate value of \$2.8 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.

DIRECTORS' PARTICULARS

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2021)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	70	Other Companies <ul style="list-style-type: none"> • Sembcorp Marine Ltd* • Singapore Post Limited* • Ascott Business Trust Management Pte Ltd[#] • Ascott Residence Trust Management Limited[#] • Jurong Engineering Ltd 	<ul style="list-style-type: none"> • SINGEX Holdings Pte Ltd • Singapore LNG Corporation Pte Ltd • SMRT Trains Ltd • SMRT Corporation Ltd 	<ul style="list-style-type: none"> • SBS Transit Ltd (Chairman) • Sembcorp Marine Ltd* (Director) • Singapore Post Limited* (Director) • Ascott Business Trust Management Pte Ltd[#] (Chairman) • Ascott Residence Trust Management Limited[#] (Chairman) • Jurong Engineering Ltd (Chairman) • Sentosa Development Corporation (Chairman) 	Nil
YANG BAN SENG Deputy Chairman (Non-Independent Non-Executive Director)	65	Directorship in the SBS Transit Ltd Group <ul style="list-style-type: none"> • SBS Transit Rail Pte Ltd Principal Directorships in the ComfortDelGro Group <ul style="list-style-type: none"> • ComfortDelGro Corporation Limited* • Beijing Jin Jian Taxi Services Co., Ltd • Comfort Transportation Pte Ltd • CityCab Pte Ltd • ComfortDelGro Engineering Pte Ltd • CityFleet Networks Limited • ComfortDelGro Corporation Australia Pty Ltd • Guangzhou Xin Tian Wei Transportation Development Co., Ltd • Metroline Limited • Swan Taxis Pty Ltd Principal Directorships in the VICOM Group <ul style="list-style-type: none"> • VICOM Ltd* • Setsco Services Pte Ltd • JIC Inspection Services Pte Ltd 	Nil	<ul style="list-style-type: none"> • ComfortDelGro Corporation Limited* (Managing Director & Group Chief Executive Officer) 	<ul style="list-style-type: none"> • SBS Transit Ltd* (Executive Deputy Chairman)

* Listed Company

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

DIRECTORS' PARTICULARS

NAME	AGE	PRESENT DIRECTORSHIPS / CHAIRMANSHIPS (AS AT 31 DECEMBER 2021)	PAST DIRECTORSHIPS / CHAIRMANSHIPS HELD OVER THE PRECEDING FIVE YEARS (FROM 1 JANUARY 2017 TO 31 DECEMBER 2021)	PRESENT PRINCIPAL COMMITMENTS	PAST PRINCIPAL COMMITMENTS OVER THE PRECEDING FIVE YEARS
CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	52	Directorship in the SBS Transit Ltd Group <ul style="list-style-type: none"> SBS Transit Rail Pte Ltd Principal Directorships in the ComfortDelGro Group <ul style="list-style-type: none"> ComfortDelGro Bus Pte. Ltd. ComfortDelGro Engineering Pte Ltd 	Principal Directorship in the ComfortDelGro Group in Australia <ul style="list-style-type: none"> ComfortDelGro Corporation Australia Pty Ltd (NSW) 	<ul style="list-style-type: none"> SBS Transit Ltd (Director and Chief Executive Officer) 	<ul style="list-style-type: none"> ComfortDelGro Corporation Australia Pty Ltd (NSW) (Chief Executive Officer)
DESMOND CHOO PEY CHING (Independent Non-Executive Director)	44	<ul style="list-style-type: none"> Surbana Jurong Pte Ltd 	Nil	<ul style="list-style-type: none"> People's Association (Mayor, North East District and Advisor, Tampines Grassroots Organisation) National Trades Union Congress (Assistant Secretary-General) Surbana Jurong Pte Ltd 	Nil
CHUA MUI HOONG (Independent Non-Executive Director)	53	Nil	<ul style="list-style-type: none"> Straits Times Press Pte Ltd 	<ul style="list-style-type: none"> The Straits Times (Associate Editor) 	Nil
SUSAN KONG YIM PUI (Independent Non-Executive Director)	61	Other Companies <ul style="list-style-type: none"> HealthServe Limited Singapore Tyler Print Institute Q.E.D. Law Corporation 	Nil	<ul style="list-style-type: none"> Q.E.D. Law Corporation (Managing Director) 	Nil
LEE SOK KOON (Independent Non-Executive Director)	68	Other Companies <ul style="list-style-type: none"> Japan Foods Holding Ltd* Lum Chang Holdings Ltd* Mooreast Holdings Ltd* NUS America Foundation, Inc. 	<ul style="list-style-type: none"> Invictus Group Pte Ltd Singapore Arts School Ltd 	Nil	<ul style="list-style-type: none"> National University of Singapore (Director of Operations in the Development Office)
LIM SEH CHUN (Independent Non-Executive Director)	67	Other Major Appointments <ul style="list-style-type: none"> Singapore School of Science and Technology (Chairman, Board of Directors) 	<ul style="list-style-type: none"> Singapore Symphonia Company Limited 	<ul style="list-style-type: none"> Singapore University of Technology and Design (SUTD) (Associate Provost for Student Affairs) 	Nil
TAN KIM SIEW (Independent Non-Executive Director)	68	Directorship in the VICOM Group <ul style="list-style-type: none"> VICOM Ltd* 	Nil	Nil	Nil
YU CHING MAN (Independent Non-Executive Director)	56	Nil	Nil	<ul style="list-style-type: none"> Hong Kong Polytechnic University (Professor, Department of Aviation and Aeronautical Engineering) 	<ul style="list-style-type: none"> Singapore Institute of Technology (Professor and Founding Programme Director for Sustainable Infrastructure Engineering (Land & Building Services))

* Listed Company

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.

In 2021, the COVID-19 pandemic continued to affect economies, businesses and livelihoods. For the public transport industry, we worked closely with the Land Transport Authority (LTA) to contain the spread of infection and to ensure travelling on buses and trains remain safe for our customers.

The key efforts of 2021 were thus focussed in ensuring a safe workplace for our people, and a safe commute for our customers. With the emergence of COVID-19 delta variant, our workforce was not spared as we saw a spike of COVID-19 positive cases among our staff between late August and October, though more than 99% of our staff were fully vaccinated. We worked closely with the LTA to enhance Safe Management Measures (SMM) and introduced additional safety measures such as segregation of mask-on/mask-off areas and enhancing airflow by installing additional ventilators in selected toilets and staff rooms. With our concerted efforts and robust Business Continuity Plans (BCPs), we managed to keep the outbreak in control, minimising the impact to operation with the majority of affected bus services experiencing longer wait time of not more than five minutes from the usual.

Amidst the disruption resulting from the COVID-19 pandemic, we refreshed our risk management policies and processes, and reviewed the risk registers. For example, the supply chain risk to critical spares and consumables and measures to minimise the manpower availability risk were reviewed and strengthened. This enables us to assess and better manage our business and operational risks, and explore opportunities in the uncertain and volatile environment.

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 Chief Executive Officer 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 annually. 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.

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 Chief Executive Officer 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.

RISK 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 on pages 77 to 116.

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. In view of current COVID-19 situation, regular audits are also conducted at our premises to ensure strict Safe Management Measures compliance by all. 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 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 TECHNOLOGY RISKS

Information technology system failures and cyber risks are key risks for the Group since almost all the businesses rely heavily on information technology. In particular, the information technology systems of our Rail Business have been designated as the Critical Information Infrastructure (CII) and Operations Technology 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. The Group's information technology security management framework complies with the latest industry standards. We have put in place various 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 LTA, 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) changes in government policies - how we build resilience by pro-actively engaging the authorities to realise objectives articulated in the Land Transport Master Plan 2040.

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. In the course of their audits, the Internal and External Auditors will highlight to the Management and the Audit and Risk Committee 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 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 Audit and Risk Committee.

CODE OF BUSINESS CONDUCT

The Group has adopted a Code of Business Conduct which sets out the principles and policies upon which businesses are conducted. The Code of Business Conduct includes the anti-corruption and anti-bribery policies that stress on zero tolerance on fraud, improper use of monetary favours, gifts or entertainment. In addition, employees should not put themselves in a position of conflict of interest with the Group. If there is a potential conflict of interest, employees should declare to their immediate supervisors and recuse themselves from the decision process.

WHISTLEBLOWING

The Whistleblowing Policy is to provide 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 Chairperson of the Audit and Risk Committee and/or the Group Chief Internal Audit Officer. All cases are investigated and overseen by Group Internal Audit, and dealt with promptly and thoroughly. The number of whistleblowing cases regardless of significance will be registered by the Group Chief Internal Audit Officer, and will be reported to the Audit and Risk Committee quarterly.

FINANCIAL CALENDAR

2020

Announcement of 2019 Full Year Results	13 February 2020
Annual General Meeting	21 May 2020
Payment of 2019 Final Dividend (5.90 cents/share)	8 June 2020
Announcement of 2020 Half Year Results	13 August 2020

2021

Announcement of 2020 Full Year Results	9 February 2021
Annual General Meeting	29 April 2021
Payment of 2020 Final Dividend (6.30 cents/share)	19 May 2021
Announcement of 2021 Half Year Results	12 August 2021
Payment of 2021 Interim Dividend (5.75 cents/share)	1 September 2021

2022

Announcement of 2021 Full Year Results	23 February 2022
Annual General Meeting	28 April 2022
Payment of 2021 Final Dividend (2.45 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	26 May 2022
Announcement of 2022 Half Year Results	10 August 2022*

* Provisional – Updates will be posted on www.sbstransit.com.sg

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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 2021.

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 70 to 116 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 2021, 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:

Bob Tan Beng Hai	(Chairman) (Appointed on 29 April 2021)
Yang Ban Seng	(Deputy Chairman)
Cheng Siak Kian	(Chief Executive Officer) (Appointed on 29 April 2021)
Desmond Choo Pey Ching	(Appointed on 29 April 2021)
Chua Mui Hoong	
Susan Kong Yim Pui	
Lee Sok Koon	
Lim Seh Chun	
Tan Kim Siew	
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, except for the options mentioned below.

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:

	Shareholdings registered in the name of Directors		
	At 1 January 2021 or date of appointment, if later	At 31 December 2021	At 21 January 2022
Interest in ultimate holding company, ComfortDelGro Corporation Limited			
(a) Ordinary shares			
Yang Ban Seng	7,168	399,668	399,668
Yang Ban Seng (Deemed interest)	18,185	18,185	18,185
Cheng Siak Kian	5,000	16,250	16,250
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	330,000	–	–
(c) Unvested performance share awards under the ComfortDelGro Executive Share Award Scheme			
		Number of unvested shares held by Directors	
		At 1 January 2021 or date of appointment, if later	At 31 December 2021
Yang Ban Seng		225,000	362,500
Cheng Siak Kian		40,000	68,750

DIRECTORS' STATEMENT

4 AUDIT AND RISK COMMITTEE

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

Lee Sok Koon	(Chairman)
Desmond Choo Pey Ching	(Appointed on 29 April 2021)
Chua Mui Hoong	
Tan Kim Siew	
Yang Ban Seng	(Appointed on 29 April 2021)

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 at least four times 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 Deloitte & Touche 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.

The Audit and Risk Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche LLP for re-appointment as auditors of the Company at the forthcoming Annual General Meeting.

DIRECTORS' STATEMENT

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Bob Tan Beng Hai

Chairman

Cheng Siak Kian

Chief Executive Officer

Singapore
23 February 2022

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 subsidiary (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2021, 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 a summary of significant accounting policies, as set out on pages 70 to 116.

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 2021 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 *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.

(a) Transition of the Downtown Line to the New Rail Financing Framework Version 2

On 11 November 2021, the Company entered into a framework agreement with the Land Transport Authority of Singapore ("LTA") and SBS Transit DTL Pte. Ltd. to transit the Downtown Line ("DTL") to the second version of the New Rail Financing Framework Version 2 ("NRFF (Version 2)"). North East Line ("NEL") and Sengkang Punggol Light Rail Transit System ("SPLRT") are already on NRFF Version 2 since 2018.

The NRFF (Version 2) is designed to reduce commercial volatility for rail operators in delivering a reliable and financially sustainable public rail service. As part of the framework agreement, the LTA has issued a consolidated rail licence to SBS Transit Ltd's wholly-owned subsidiary, SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT for a period of 11 years commencing 1 January 2022, and ending on 31 December 2032 (the "Consolidated Rail Licence").

Management has engaged an independent third party to review the ridership patterns, and has also engaged another independent third party to review the future financial performance of the DTL, NEL and SPLRT after considering the new terms under the Consolidated Rail Licence, including reviewing the accounting treatments arising thereon. As disclosed in Note 3 to the Financial Statements, in projecting the future financial performance of the Consolidated Rail Licence, significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, after taking into consideration that the timing of the recovery of travel and economic activities to pre-COVID-19 levels is uncertain and there could be significant shifts in ridership patterns and fare adjustments.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBS TRANSIT LTD

Key Audit Matters (cont'd)

(a) Transition of the Downtown Line to the New Rail Financing Framework Version 2 (cont'd)

Our audit procedures focussed on evaluating the areas of significant judgement made by Management in their projection of the future financial performance of the DTL, NEL and SPLRT after considering the new terms under the Consolidated Rail Licence, including reviewing the Group's accounting treatments arising thereon.

We obtained and read the framework agreement and certain key correspondences between the Authorities and the Group. We discussed with Management on the areas of significant judgement in their projection of the future financial performance of the DTL, NEL and SPLRT. We read the reports issued by the independent third parties to obtain an understanding of the ridership projection, the projected future financial performance of the DTL, NEL and SPLRT and the overall accounting treatment for certain key terms under the Consolidated Rail Licence. We obtained the projected future financial performance of the DTL, NEL and SPLRT up to the end of the licence period and challenged key assumptions made by Management, including reviewing relevant corroborative documentation of ridership projection, projected future fare adjustments and availability of grants from the Authorities. Based on our procedures, the significant judgement applied by Management in the key assumptions appear to be reasonable.

We have also assessed the adequacy and appropriateness of the related disclosures in the Financial Statements.

(b) Valuation and Completeness of Provision for Accident Claims

The valuation and completeness of provision for settlement of accident claims (Note 16) involves estimation uncertainty (Note 3). Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics in determining the provision for accident claims as at 31 December 2021.

Our audit procedures included understanding the process used to determine the provision for accident claims. We independently evaluated the reasonableness of Management's basis and the key estimates and assumptions used in the provision estimated by Management, including reviewing the number of claims lodged, recent settlements, third party settlement data and accident claims statistics. Based on our procedures, Management's key assumptions appear to be within the reasonable range of our expectations.

We have also assessed the adequacy and appropriateness of the related disclosures in the Financial Statements.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and our auditor's report thereon. The Directors' Statement was obtained prior to the date of this auditor's report and the remaining other information included in the annual report is expected to be made available to us after that date.

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.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBS TRANSIT LTD

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)s, 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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (d) 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.
- (e) 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.
- (f) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBS TRANSIT LTD

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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 the subsidiary corporation 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. Yang Chi Chih.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants

Singapore
23 February 2022

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	The Group		The Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
ASSETS					
Current assets					
Short-term deposits and bank balances	5	204,034	85,560	201,974	84,376
Trade and other receivables	6	253,372	290,023	490,545	575,570
Inventories	7	101,482	111,980	73,340	84,674
Total current assets		558,888	487,563	765,859	744,620
Non-current assets					
Subsidiary	8	–	–	100,000	5,000
Prepayments	9	4,605	6,455	4,538	6,292
Net investment on sublease		28	191	28	191
Vehicles, premises and equipment	10	563,200	618,897	537,610	601,439
Deferred tax assets	11	27,065	26,695	–	–
Total non-current assets		594,898	652,238	642,176	612,922
Total assets		1,153,786	1,139,801	1,408,035	1,357,542

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	The Group		The Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	12	–	25,000	–	25,000
Lease liabilities	28	11,131	12,215	11,131	12,215
Trade and other payables	13	298,567	250,098	240,620	213,795
Deposits received	14	3,766	3,915	2,657	3,561
Deferred grants	15	–	24,042	–	15,662
Provision for accident claims	16	16,075	19,630	16,075	19,630
Fuel price equalisation account		19,992	19,992	19,992	19,992
Income tax payable		33,879	31,903	33,879	31,903
Total current liabilities		383,410	386,795	324,354	341,758
Non-current liabilities					
Lease liabilities	28	80,481	59,311	80,481	59,311
Deferred grants	15	4,772	5,843	4,772	5,843
Deposits received	14	7,284	5,818	5,475	4,692
Deferred tax liabilities	11	44,619	62,676	44,619	62,676
Provision for service benefits and long service awards	17	11,663	12,340	11,081	11,759
Fuel price equalisation account		19,992	19,992	19,992	19,992
Total non-current liabilities		168,811	165,980	166,420	164,273
Total liabilities		552,221	552,775	490,774	506,031
Capital and reserves					
Share capital	18	100,499	100,499	100,499	100,499
Other reserves	19	40,749	40,265	40,501	40,265
Accumulated profits		460,317	446,262	776,261	710,747
Total equity		601,565	587,026	917,261	851,511
Total liabilities and equity		1,153,786	1,139,801	1,408,035	1,357,542

GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2021

	Note	The Group	
		2021 \$'000	2020 \$'000
Revenue	20	1,310,842	1,230,947
Staff costs	21	(625,554)	(583,342)
Repairs and maintenance costs		(204,404)	(214,620)
Fuel and electricity costs		(148,703)	(90,077)
Premises costs		(47,063)	(47,173)
Depreciation expense	10	(105,340)	(109,046)
Other operating costs		(126,224)	(106,706)
Total operating costs		(1,257,288)	(1,150,964)
Operating profit	22	53,554	79,983
Net income from investments	23	291	272
Finance costs	24	(1,339)	(3,247)
Profit before taxation		52,506	77,008
Tax (expense) credit	25	(872)	1,949
Profit attributable to shareholders		51,634	78,957
Earnings per share (in cents):			
Basic	26	16.56	25.32
Diluted	26	16.56	25.32

GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2021

	The Group	
	2021 \$'000	2020 \$'000
Profit attributable to shareholders	51,634	78,957
<i>Items that may be reclassified subsequently to Profit or Loss:</i>		
Fair value adjustment on cash flow hedges	484	(278)
Total comprehensive income for the year attributable to shareholders of the Company	52,118	78,679

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	The Group			
	Attributable to shareholders of the Company			
	Share capital (Note 18) \$'000	Other reserves (Note 19) \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2020	100,499	40,543	385,699	526,741
<i>Total comprehensive income (expense) for the year</i>				
Profit for the year	–	–	78,957	78,957
Other comprehensive expense for the year	–	(278)	–	(278)
Total	–	(278)	78,957	78,679
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 32)	–	–	(18,400)	(18,400)
Other reserves	–	–	6	6
Total	–	–	(18,394)	(18,394)
Balance at 31 December 2020	100,499	40,265	446,262	587,026
<i>Total comprehensive income for the year</i>				
Profit for the year	–	–	51,634	51,634
Other comprehensive income for the year	–	484	–	484
Total	–	484	51,634	52,118
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 32)	–	–	(37,579)	(37,579)
Total	–	–	(37,579)	(37,579)
Balance at 31 December 2021	100,499	40,749	460,317	601,565

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	The Company			
	Share capital (Note 18) \$'000	Other reserves (Note 19) \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2020	100,499	40,285	609,749	750,533
<i>Total comprehensive income (expense) for the year</i>				
Profit for the year	–	–	119,392	119,392
Other comprehensive expense for the year	–	(20)	–	(20)
Total	–	(20)	119,392	119,372
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 32)	–	–	(18,400)	(18,400)
Other reserves	–	–	6	6
Total	–	–	(18,394)	(18,394)
Balance at 31 December 2020	100,499	40,265	710,747	851,511
<i>Total comprehensive income for the year</i>				
Profit for the year	–	–	103,093	103,093
Other comprehensive income for the year	–	236	–	236
Total	–	236	103,093	103,329
<i>Transactions recognised directly in equity</i>				
Payment of dividends (Note 32)	–	–	(37,579)	(37,579)
Total	–	–	(37,579)	(37,579)
Balance at 31 December 2021	100,499	40,501	776,261	917,261

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2021

	The Group	
	2021 \$'000	2020 \$'000
Operating activities		
Profit before taxation	52,506	77,008
Adjustments for:		
Depreciation expense	105,340	109,046
Finance costs	1,339	3,247
Net loss (gain) on disposal of vehicles and equipment	15,812	(274)
Interest income	(291)	(272)
Provision for service benefits and long service awards	202	1,720
Provision for accident claims	365	2,980
Allowance for inventory obsolescence	6,950	20,159
(Write-back) Allowance for expected credit losses	(344)	395
Operating cash flows before movements in working capital	181,879	214,009
Trade and other receivables	37,662	(55,881)
Inventories	3,548	(1,568)
Trade and other payables	48,412	(7,190)
Deferred grants	(25,113)	23,637
Deposits received	1,317	(445)
Payment of service benefits and long service awards	(879)	(715)
Payment of accident claims	(3,920)	(4,555)
Receipt from net investment on sublease	159	160
Cash generated from operations	243,065	167,452
Income tax paid	(17,423)	(14,122)
Interest paid arising from leases	(1,300)	(2,111)
Net cash from operating activities	224,342	151,219
Investing activities		
Interest received	281	270
Proceeds from disposal of vehicles and equipment	280	1,852
Purchase of vehicles, premises and equipment	(33,098)	(18,315)
Net cash used in investing activities	(32,537)	(16,193)
Financing activities		
New loans raised	4,000	130,500
Repayment of borrowings	(29,000)	(180,500)
Payments under lease liabilities	(10,701)	(11,329)
Interest paid	(51)	(1,206)
Dividends paid	(37,579)	(18,400)
Others	-	6
Net cash used in financing activities	(73,331)	(80,929)
Net increase in cash and cash equivalents	118,474	54,097
Cash and cash equivalents at beginning of year	85,560	31,463
Cash and cash equivalents at end of year (Note 5)	204,034	85,560

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

1 GENERAL

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, namely bus and rail services.

The principal activities of the subsidiary 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 2021 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2021 were authorised for issue by the Board of Directors on 23 February 2022.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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*.

ADOPTION OF NEW AND REVISED STANDARDS – On 1 January 2021, 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 discussed below.

COVID-19-Related Rent Concessions beyond 30 June 2021 - Amendment to SFRS(I) 16

The Group has early adopted during the year ended 31 December 2020 the *COVID-19-Related Rent Concessions (Amendment to SFRS(I) 16)* that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to SFRS(I) 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In March 2021, Accounting Standards Council (“ASC”) issued *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to SFRS(I) 16)* that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

Refer to Note 10 (b) on impact to the Group’s Financial Statements for the adoption of the *COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendments to SFRS(I) 16*.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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) 3 *Reference to the Conceptual Framework*⁽¹⁾
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment – Proceeds before Intended Use*⁽¹⁾
- Amendments to SFRS(I) 1-37 *Onerous Contracts – Cost of Fulfilling a Contract*⁽¹⁾
- Annual Improvements to SFRS(I)s 2018 – 2020⁽¹⁾
- Amendments to SFRS(I) 1-1 *Classification of Liabilities as Current or Non-current*⁽²⁾
- Amendments to SFRS(I) 1-8 *Definition of Accounting Estimates*⁽²⁾
- Amendments to SFRS(I) 1-12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*⁽²⁾

⁽¹⁾ Applies to annual periods beginning on or after 1 January 2022.

⁽²⁾ Applies to annual periods beginning on or after 1 January 2023.

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.

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.

Changes in the Group's ownership interests in the subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

In the Statement of Financial Position of the Company, investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 financial assets are recognised and derecognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are 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.

Investments in debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

All other financial assets are subsequently measured at FVTPL.

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocable designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Classification of financial assets (cont'd)

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.

Debt instruments classified as FVTOCI

Investments in debt instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, any gains or losses on such a financial asset are recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised. When the financial asset is derecognised, the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to Profit or Loss for the period.

Interest income is recognised in Profit or Loss and is included in the "Net income from investments" line item in Profit or Loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the simplified approach permitted by SFRS(I) 9 *Financial Instruments* for trade receivables. The 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.

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.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is reclassified to 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.

Borrowings

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in Profit or Loss over the term of the borrowings.

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 31).

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. The fair value of hedging instrument is classified as a non-current asset or a non-current liability if the maturity of the hedge relationship exceeds 12 months and as a current asset or current liability if the maturity of the hedge relationship is within 12 months.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Hedging instruments and hedge accounting (cont'd)

At the inception of the hedge relationship, the Group 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 highly 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.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. 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 31 (c) contains details of the fair values of the hedging instruments.

(a) Fair value hedge

Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in Profit or Loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk.

(b) 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 when the hedged item is realised.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

The lease liability is presented as a separate line in the Statements of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Group as lessee (cont'd)

The right-of-use assets are presented within vehicles, premises and equipment in the Statements of Financial Position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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.

VEHICLES, PREMISES AND EQUIPMENT – Vehicles 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:

	<u>Number of years</u>
Buses	17
Leasehold land and buildings (including leasehold improvements)	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 period of the bus contracts or the useful life of the underlying asset.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IMPAIRMENT OF NON-FINANCIAL ASSETS – At the end of each reporting year, 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 to sell 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.

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.

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.

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.

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.

DEFERRED INCOME – Deferred income comprises advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 \$3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service. 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 15 years are entitled to long service awards of \$500 for 15 years of service, \$700 for 20 years, \$900 for 25 years, \$1,100 for 30 years and \$1,300 for 35 years. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at end of the reporting year.

- (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 year.

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.

Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income 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

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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 scheduled bus services is recognised as and when services are rendered, including an estimation of the expected consideration on achieving certain performance targets. Revenue from commuters for rail services is recognised as and when services are rendered and 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.

Lease revenue comprises leasing fees for the buses and other assets used in the provision of bus services under the Bus Contracting Model ("BCM"). Lease revenue is recognised upon completion of services.

Revenue from other commercial services comprises advertising and rental income. Advertising production revenue is recognised when production is completed and advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Rental income is recognised on a straight-line basis over the term of the relevant lease.

BORROWING COSTS – Borrowing costs incurred to finance the purchase of qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in Profit or Loss in the period which they are incurred.

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 year.

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 subsidiary 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 year 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. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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).

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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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.

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

As the COVID-19 pandemic is still on-going, the timing of the recovery of travel and economic activities to pre-COVID-19 levels is uncertain and there could be significant shifts in ridership patterns and fare adjustments.

Significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, taking into consideration the timing of the recovery of travel and economic activities to pre-COVID-19 levels, in projecting the future financial performance of the DTL, NEL and SPLRT under the Consolidated Rail Licence disclosed in Note 33 (b). Based on Management's assessment, no provision for rail contract is required.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

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:

1. 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.

(a) 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 used as a basis 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.

(b) Retirement benefits

Retirement benefits subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the retirement age and on completion of at least five years of service. Provision is made 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 of 0.66% to 1.93% (2020 : 0.36% to 1.16%) per annum 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. Provision for retirement benefits is disclosed in Note 17.

(c) Long service awards

Staff with more than 15 years of service are entitled to long service awards of \$500 for 15 years of service, \$700 for 20 years, \$900 for 25 years, \$1,100 for 30 years and \$1,300 for 35 years. Provision is made 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 of 0.66% to 1.93% (2020 : 0.36% to 1.16%) per annum 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. Provision for long service awards is disclosed in Note 17.

2. 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.

The terms of the rail licence contract and useful life of buses are considered in the determination of the useful life of the inventories. In addition to identification of obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended, Management identifies inventories that are slow moving (i.e. stocks with no movement for 2 years and beyond) and evaluates the carrying value of inventories. An allowance for inventory obsolescence is recognised for these inventories based on its useful life and inventory turnover.

Allowance for inventory obsolescence is disclosed in Note 7.

3. 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. 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

31 DECEMBER 2021

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:

	The Group	
	2021 \$'000	2020 \$'000
Purchases of inventories from a related company	27,956	26,907
Shared and corporate services charged from ultimate holding company	6,759	5,330
Rental expense from:		
Ultimate holding company	2,839	2,806
Related company	660	592
Purchase of goods and services from:		
Ultimate holding company	–	296
Related companies	3,921	2,866
Associate of the ultimate holding company	–	159
Sales of goods and services to:		
Ultimate holding company	(22)	(22)
Related companies	(1,045)	(1,067)
Associate of the ultimate holding company	–	(4)
Transfer of computers and automated equipment to a related company	–	(4)
Rental income from related companies	(209)	(204)

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

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
	Cash and bank balances	8,034	5,560	5,974
Fixed deposits	196,000	80,000	196,000	80,000
Total	204,034	85,560	201,974	84,376

Fixed deposits bear effective interest rate of 0.17% to 0.30% (2020 : 0.12% to 0.32%) per annum and for a tenure of approximately 20 to 86 days (2020 : 47 to 90 days). The fixed deposits can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

6 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Trade receivables from:				
Related companies (Note 4)	–	6	–	6
Related parties (Note 4)	–	81	–	68
Outside parties	124,013	152,499	122,240	149,947
Accrued income	55,421	47,095	29,106	24,095
	179,434	199,681	151,346	174,116
Allowance for expected credit losses	(50)	(193)	(38)	(156)
	179,384	199,488	151,308	173,960
Other receivables from:				
Ultimate holding company (Note 4)	25	23	25	23
Related companies (Note 4)	1,500	812	1,500	812
Subsidiary (Note 8)	–	–	275,118	325,925
Outside parties	49,578	49,002	48,589	47,052
	51,103	49,837	325,232	373,812
Prepayments	17,755	16,664	11,130	12,609
Interest receivable	21	11	21	11
Staff advances	540	533	339	325
Security deposits from outside parties	1,305	1,274	1,288	1,257
Accrued income	3,038	6,850	1,000	4,128
Net investment on sublease	232	228	232	228
Grant receivables	–	15,345	–	9,443
	73,994	90,742	339,242	401,813
Allowance for expected credit losses	(6)	(207)	(5)	(203)
	73,988	90,535	339,237	401,610
Total	253,372	290,023	490,545	575,570

The amounts outstanding are interest-free and the credit period ranges from 7 to 30 days (2020 : 7 to 30 days).

The expected risks of default on trade and other receivables at the reporting date is insignificant as a majority of receivables is from the Land Transport Authority ("LTA") and from creditworthy parties where Management has assessed the credit risk to be low. 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. Receivables from LTA are classified as current as they are expected to be received within the Group's normal operating cycle.

An allowance has been made for estimated irrecoverable amounts of the Group of \$56,000 (2020 : \$400,000) and of the Company of \$43,000 (2020 : \$359,000). Write-back of allowance recognised in Profit or Loss amounted to \$344,000 (2020 : allowance of \$566,000) for Group and \$316,000 (2020 : allowance of \$358,000) for Company. This allowance is determined by reference to expected credit losses which incorporate forward looking estimates. There has been no significant change in the estimation techniques or significant assumptions made during the current reporting period in assessing the allowance for expected credit losses.

Grants receivables relate to the amounts granted to the Group and the Company under the COVID-19 Government Relief Measures, mainly the Jobs Support Scheme ("JSS") initiative by the Singapore Government as disclosed in Note 21 (ii). The initiative is intended to defray certain manpower costs.

NOTES TO THE FINANCIAL STATEMENTS

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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 \$28,552,000 (2020 : \$21,602,000) for the Group and \$21,790,000 (2020 : \$17,448,000) for the Company. The cost of inventories recognised as an expense includes \$6,950,000 (2020 : \$20,159,000) in respect of write-downs of inventories. The carrying amount of the Group's inventories is \$101,482,000 (2020 : \$111,980,000) and \$73,340,000 (2020 : \$84,674,000) for the Company.

8 SUBSIDIARY

The Company has investment in unquoted equity shares representing 100% equity interest in SBS Transit Rail Pte. Ltd. (Formerly known as "SBS Transit DTL Pte. Ltd.") incorporated in Singapore. The cost of investment in the subsidiary was \$100,000,000 (2020 : \$5,000,000). The subsidiary is audited by Deloitte & Touche LLP, Singapore.

The current principal activities of the subsidiary are those of the operation and maintenance of DTL. With effect from 1 January 2022, the subsidiary will operate the NEL, SPLRT (which was transferred from SBS Transit Ltd to the subsidiary from 1 January 2022) and the DTL under a Consolidated Rail Licence for a period of 11 years. This Consolidated Rail Licence will supersede the licence granted to NEL, SPLRT dated 1 April 2018 and the licence granted to DTL dated 19 December 2013. Refer to Note 33 for details.

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.

9 PREPAYMENTS

Prepayments pertain to downpayments for the purchase of vehicles, premises and equipment.

10 VEHICLES, PREMISES AND EQUIPMENT

		The Group		The Company	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Vehicles, premises and equipment owned	(a)	473,100	548,562	447,510	531,104
Right-of-use assets classified within vehicles, premises and equipment	(b)	90,100	70,335	90,100	70,335
Total		563,200	618,897	537,610	601,439

NOTES TO THE FINANCIAL STATEMENTS

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10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned

	Buses \$'000	Leasehold building ^(N1) \$'000	Leasehold improve- ments \$'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
The Group									
Cost or valuation:									
At 1 January 2020	1,120,006	46,608	55,995	26,775	52,393	9,026	21,873	10,600	1,343,276
Additions	60	73	235	2,159	5,291	1,151	903	5,373	15,245
Disposals	(3,158)	–	–	(2,571)	(2,724)	(516)	(510)	–	(9,479)
Reclassification	1,656	–	903	2,862	2,574	–	161	(8,156)	–
Transfer to related company	–	–	–	(10)	–	–	–	–	(10)
At 31 December 2020	1,118,564	46,681	57,133	29,215	57,534	9,661	22,427	7,817	1,349,032
Additions	1	253	12,176	2,757	7,911	128	676	11,049	34,951
Disposals	(153,808)	–	(2,341)	(1,403)	(2,387)	(658)	(1,818)	–	(162,415)
Reclassification	7,679	–	382	3,762	2,211	–	–	(14,034)	–
At 31 December 2021	972,436	46,934	67,350	34,331	65,269	9,131	21,285	4,832	1,221,568
Accumulated depreciation:									
At 1 January 2020	589,004	11,387	38,542	19,652	33,586	5,872	14,349	–	712,392
Depreciation	77,706	3,440	2,418	4,842	4,697	1,050	1,836	–	95,989
Disposals	(3,158)	–	–	(2,568)	(1,194)	(510)	(475)	–	(7,905)
Transfer to related company	–	–	–	(6)	–	–	–	–	(6)
At 31 December 2020	663,552	14,827	40,960	21,920	37,089	6,412	15,710	–	800,470
Depreciation	71,229	3,474	4,711	6,956	5,236	942	1,770	–	94,318
Disposals	(137,892)	–	(2,341)	(1,293)	(2,373)	(639)	(1,782)	–	(146,320)
At 31 December 2021	596,889	18,301	43,330	27,583	39,952	6,715	15,698	–	748,468
Carrying amount:									
At 31 December 2021	375,547	28,633	24,020	6,748	25,317	2,416	5,587	4,832	473,100
At 31 December 2020	455,012	31,854	16,173	7,295	20,445	3,249	6,717	7,817	548,562

NOTES TO THE FINANCIAL STATEMENTS

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10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned (cont'd)

	Buses \$'000	Leasehold building ^(N1) \$'000	Leasehold improve- ments \$'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
The Company									
Cost or valuation:									
At 1 January 2020	1,120,006	46,608	38,623	23,381	46,109	6,543	19,584	10,457	1,311,311
Additions	60	73	202	1,602	4,603	1,151	866	5,184	13,741
Disposals	(3,158)	–	–	(2,461)	(2,723)	(516)	(487)	–	(9,345)
Reclassification	1,656	–	897	2,862	2,574	–	161	(8,150)	–
Transfer to related company	–	–	–	(10)	–	–	–	–	(10)
Transfer from subsidiary	–	–	–	1	–	–	–	–	1
At 31 December 2020	1,118,564	46,681	39,722	25,375	50,563	7,178	20,124	7,491	1,315,698
Additions	1	253	570	2,248	7,224	106	548	10,514	21,464
Disposals	(153,808)	–	(2,341)	(1,306)	(2,340)	(658)	(1,807)	–	(162,260)
Reclassification	7,679	–	382	3,747	2,211	–	–	(14,019)	–
Transfer to subsidiary	–	–	–	(2)	–	–	–	–	(2)
At 31 December 2021	972,436	46,934	38,333	30,062	57,658	6,626	18,865	3,986	1,174,900
Accumulated depreciation:									
At 1 January 2020	589,004	11,387	33,729	17,233	30,566	4,422	13,238	–	699,579
Depreciation	77,706	3,440	1,301	4,197	3,869	756	1,529	–	92,798
Disposals	(3,158)	–	–	(2,459)	(1,193)	(510)	(457)	–	(7,777)
Transfer to related company	–	–	–	(6)	–	–	–	–	(6)
At 31 December 2020	663,552	14,827	35,030	18,965	33,242	4,668	14,310	–	784,594
Depreciation	71,229	3,474	1,373	6,383	4,339	701	1,469	–	88,968
Disposals	(137,892)	–	(2,341)	(1,199)	(2,328)	(639)	(1,772)	–	(146,171)
Transfer to subsidiary	–	–	–	(1)	–	–	–	–	(1)
At 31 December 2021	596,889	18,301	34,062	24,148	35,253	4,730	14,007	–	727,390
Carrying amount:									
At 31 December 2021	375,547	28,633	4,271	5,914	22,405	1,896	4,858	3,986	447,510
At 31 December 2020	455,012	31,854	4,692	6,410	17,321	2,510	5,814	7,491	531,104

^(N1) : The Group's leasehold building at Soon Lee bus depot are stated at their revalued amounts (Note 19) 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 34). As at 31 December 2021, the carrying amount of the Group's leasehold building at Soon Lee bus depot would have been \$9,703,000 (2020 : \$10,913,000), had the leasehold building been carried at cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS

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10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(a) Vehicles, premises and equipment owned (cont'd)

Details of leasehold land and building owned 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 (8 years 3 months unexpired)	Bus depot

Details of other leasehold buildings 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 (4 years unexpired)	Bus depot
No. 4 Defu Ave 1 Singapore	45,190 sq m	43 years from 1 January 1983 (4 years 11 months unexpired)	Bus depot
No. 1470 Bedok North Ave 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 (2 years 11 months unexpired)	Bus depot

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

10 VEHICLES, PREMISES AND EQUIPMENT (CONT'D)

(b) Right-of-use assets classified within vehicles, premises and equipment

The Group leases several leasehold land and buildings at an average lease term of 11 years (2020 : 9 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 ^(N2) \$'000	Total \$'000
The Group and The Company			
Cost:			
At 1 January 2020	122,826	17,600	140,426
Adjustments	(869)	–	(869)
At 31 December 2020	121,957	17,600	139,557
Additions	30,787	–	30,787
At 31 December 2021	152,744	17,600	170,344
Accumulated depreciation:			
At 1 January 2020	51,846	4,319	56,165
Depreciation	11,761	1,296	13,057
At 31 December 2020	63,607	5,615	69,222
Depreciation	9,727	1,295	11,022
At 31 December 2021	73,334	6,910	80,244
Carrying amount:			
At 31 December 2021	79,410	10,690	90,100
At 31 December 2020	58,350	11,985	70,335

No lease expired in the current financial year (2020 : one third). The remaining contracts in the corresponding year were extended through exercising the extension options resulting in additions to right-of-use assets of \$40,213,000 (2020 : \$NIL). The additions are net of modification of lease space amounting to \$7,488,000 (2020 : \$NIL) and remeasurement of right-of-use assets arising from change in future lease payments from change in index or rate which are not considered as lease modification under SFRS(I) 16 amounting to \$1,938,000 (2020 : \$869,000).

^(N2) : 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 19) 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 34). As at 31 December 2021, the carrying amount of the Group's leasehold land would have been \$4,932,000 (2020 : \$5,546,000), had the leasehold land been carried at cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS

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11 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Deferred tax assets	27,065	26,695	–	–
Deferred tax liabilities	(44,619)	(62,676)	(44,619)	(62,676)
Net	(17,554)	(35,981)	(44,619)	(62,676)
At beginning of year	(35,981)	(53,400)	(62,676)	(74,940)
Credit to Profit or Loss (Note 25)	30,683	25,115	18,106	12,260
Utilisation of deferred tax assets under Group Relief Scheme: – SBS Transit Rail Pte. Ltd. (Formerly known as "SBS Transit DTL Pte. Ltd.")	(12,156)	(7,753)	–	–
Arising from movement in Other Comprehensive Income Statement	(100)	57	(49)	4
At end of year	(17,554)	(35,981)	(44,619)	(62,676)

The balance comprises the tax effects of:

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Deferred tax assets				
Unutilised tax losses	22,910	24,924	–	–
Excess of tax written down value over carrying amount	1,990	1,672	–	–
Other items	2,165	99	–	–
	27,065	26,695	–	–
Deferred tax liabilities				
Excess of carrying amount over tax written down value	(64,808)	(78,967)	(64,808)	(78,967)
Other items	20,189	16,291	20,189	16,291
	(44,619)	(62,676)	(44,619)	(62,676)
Net deferred tax liabilities	(17,554)	(35,981)	(44,619)	(62,676)

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

12 BORROWINGS

	The Group and The Company	
	31 December 2021 \$'000	31 December 2020 \$'000
Unsecured borrowings at amortised cost		
Bank Loans (Current)	–	25,000

As at 31 December 2020, the remaining unsecured bank loan of \$25 million with a remaining tenure of 9 months at the end of the reporting period was unsecured and bore a floating interest rate of 0.81% per annum.

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 2021 \$'000	Financing cash flows ⁽ⁱ⁾ \$'000	Non-cash changes New lease \$'000	31 December 2021 \$'000
Borrowings	25,000	(25,000)	–	–
Lease liabilities (Note 28)	71,526	(10,701)	30,787	91,612
Total	96,526	(35,701)	30,787	91,612

	1 January 2020 \$'000	Financing cash flows ⁽ⁱ⁾ \$'000	Non-cash changes New lease \$'000	31 December 2020 \$'000
Borrowings	75,000	(50,000)	–	25,000
Lease liabilities (Note 28)	83,176	(11,329)	(321)	71,526
Total	158,176	(61,329)	(321)	96,526

⁽ⁱ⁾ The cash flows make up the net amount of new loans raised and repayment of borrowings in the Group Cash Flow Statement.

NOTES TO THE FINANCIAL STATEMENTS

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13 TRADE AND OTHER PAYABLES

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Payables to:				
Ultimate holding company (Note 4)	5,332	2,449	5,299	2,444
Related companies (Note 4)	3,595	4,237	3,381	4,173
Related parties (Note 4)	–	20	–	20
Outside parties	74,702	59,302	66,653	54,100
Accruals	212,096	181,375	162,768	150,730
Deferred income	2,842	2,715	2,519	2,328
Total	298,567	250,098	240,620	213,795

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 (2020 : 30 days).

14 DEPOSITS RECEIVED

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Deposits received	11,050	9,733	8,132	8,253
Less: Due within 12 months	(3,766)	(3,915)	(2,657)	(3,561)
Due after 12 months	7,284	5,818	5,475	4,692

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

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Deferred grants	4,772	29,885	4,772	21,505
Analysed as:				
Current	–	24,042	–	15,662
Non-current	4,772	5,843	4,772	5,843
	4,772	29,885	4,772	21,505

As at 31 December 2020, current deferred grants related to the amounts granted to the Group and the Company under the COVID-19 Government Relief Measures, mainly the JSS initiative by the Singapore Government as disclosed in Note 21 (ii). The initiative was intended to defray certain manpower costs.

Non-current deferred grants relate to capital grants.

NOTES TO THE FINANCIAL STATEMENTS

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16 PROVISION FOR ACCIDENT CLAIMS

	The Group and The Company	
	31 December 2021 \$'000	31 December 2020 \$'000
At beginning of year	19,630	21,205
Charge to Profit or Loss	365	2,980
Payments	(3,920)	(4,555)
At end of year	16,075	19,630

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 (a)).

17 PROVISION FOR SERVICE BENEFITS AND LONG SERVICE AWARDS

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
At beginning of year	12,340	11,335	11,759	10,930
Charge to Profit or Loss	202	1,720	190	1,540
Payments	(879)	(715)	(868)	(711)
At end of year	11,663	12,340	11,081	11,759

The balance comprises provision for:

Retirement benefits	7,898	8,387	7,534	8,025
Long service awards	3,765	3,953	3,547	3,734
Total	11,663	12,340	11,081	11,759

18 SHARE CAPITAL

	The Group and The Company			
	31 December 2021 Number ('000) of ordinary shares	31 December 2020	31 December 2021 \$'000	31 December 2020 \$'000
Issued and paid up:				
At beginning and end of year	311,865	311,865	100,499	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.

NOTES TO THE FINANCIAL STATEMENTS

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19 OTHER RESERVES

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Premises revaluation reserve:				
At beginning and end of year	40,265	40,265	40,265	40,265
Hedging reserve:				
At beginning of year	–	278	–	20
Gain (Loss) on cash flow hedges	484	(278)	236	(20)
At end of year	484	–	236	–
Total	40,749	40,265	40,501	40,265

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).

20 REVENUE

Revenue comprises the following amounts:

	The Group	
	2021 \$'000	2020 \$'000
Transport services	1,168,316	1,097,702
Lease revenue	97,015	98,097
Other commercial services	45,511	35,148
Total	1,310,842	1,230,947

Revenue from transport services are mainly contracts with the Government (public sector) in Singapore for an average of 9 years. 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 5% (2020 : 5%) of the total revenue.

NOTES TO THE FINANCIAL STATEMENTS

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21 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 \$2,090,340 (2020 : \$2,905,162).

	The Group	
	2021	2020
	\$'000	\$'000
(ii) Cost of contribution to Central Provident Fund	56,750	58,196
Government grant (included in staff costs)	(52,151)	(107,286)

The Group received wage support for local employees under JSS from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. Grant income is recognised in Profit or Loss on a systematic basis over the period impacted by COVID-19 in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Government grant from JSS for the year is \$52,151,000 (2020 : \$95,975,000) (Note 22).

22 OPERATING PROFIT

In addition to the charges and credits disclosed elsewhere in the notes to the Financial Statements, this item includes the following charges (credits):

	The Group	
	2021	2020
	\$'000	\$'000
Directors' fees	598	517
Cost of inventories recognised in repairs and maintenance costs	137,405	133,492
Net loss (gain) on disposal of vehicles and equipment	15,812	(274)
Allowance for inventory obsolescence	6,950	20,159
(Write-back) Allowance for expected credit losses	(344)	395
Provision for accident claims	365	2,980
Provision for service benefits and long service awards	202	1,720
Government grant	56,323	109,789
Audit fees:		
Paid to auditors of the Company	137	116
Non-audit fees:		
Paid to auditors of the Company	115	87

Excluding the Government grant (COVID-19 related) of \$56,323,000 (2020 : \$109,789,000), the Group would have recorded an Operating Loss of \$2,769,000 (2020 : \$29,806,000).

NOTES TO THE FINANCIAL STATEMENTS

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23 NET INCOME FROM INVESTMENTS

	The Group	
	2021	2020
	\$'000	\$'000
Interest income from bank and short-term deposits	285	263
Interest income from net investment on sublease	6	9
Total	291	272

24 FINANCE COSTS

	The Group	
	2021	2020
	\$'000	\$'000
Interest expense on lease liabilities	1,300	2,111
Interest expense on bank loans	39	1,136
Total	1,339	3,247

25 TAX EXPENSE (CREDIT)

	The Group	
	2021	2020
	\$'000	\$'000
Current taxation	31,555	23,166
Deferred tax (Note 11)	(30,683)	(25,115)
Total	872	(1,949)

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2020 : 17%) to profit before taxation as a result of the following differences:

	The Group	
	2021	2020
	\$'000	\$'000
Profit before taxation	52,506	77,008
Taxation charge at statutory rate	8,926	13,091
Non-taxable items	(8,037)	(15,710)
Tax-exempt income	(17)	(17)
Under provision of deferred tax in prior years	–	687
	872	(1,949)

NOTES TO THE FINANCIAL STATEMENTS

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26 EARNINGS PER SHARE

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:

	2021	2020
Profit attributable to shareholders of the Company (\$'000)	51,634	78,957
Weighted average number of ordinary shares in issue ('000)	311,865	311,865
Basic earnings per share (in cents)	16.56	25.32

Fully diluted earnings per share is the same as the basic earnings per share as there is no dilutive shares outstanding at the end of financial years ended 31 December 2021 and 31 December 2020.

27 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 transport systems.
- (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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

27 BUSINESS SEGMENT INFORMATION (CONT'D)

	Public Transport Services \$'000	Other Commercial Services \$'000	Total \$'000
31 December 2021			
REVENUE	1,265,331	45,511	1,310,842
RESULTS			
Segment results	30,978	22,576	53,554
Net income from investments			291
Finance costs			(1,339)
Profit before taxation			52,506
Tax expense			(872)
Profit after taxation			51,634
OTHER INFORMATION			
Additions of vehicles, premises and equipment	22,627	12,324	34,951
Depreciation expense	101,286	4,054	105,340
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Segment assets	900,513	23,327	923,840
Unallocated corporate assets			229,946
Consolidated total assets			1,153,786
LIABILITIES			
Segment liabilities	435,698	27,798	463,496
Unallocated corporate liabilities			88,725
Consolidated total liabilities			552,221
31 December 2020			
REVENUE	1,195,799	35,148	1,230,947
RESULTS			
Segment results	56,872	23,111	79,983
Net income from investments			272
Finance costs			(3,247)
Profit before taxation			77,008
Tax credit			1,949
Profit after taxation			78,957
OTHER INFORMATION			
Additions of vehicles, premises and equipment	14,198	1,047	15,245
Depreciation expense	107,436	1,610	109,046
STATEMENT OF FINANCIAL POSITION			
ASSETS			
Segment assets	1,008,330	20,615	1,028,945
Unallocated corporate assets			110,856
Consolidated total assets			1,139,801
LIABILITIES			
Segment liabilities	380,672	25,301	405,973
Unallocated corporate liabilities			146,802
Consolidated total liabilities			552,775

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

28 LEASE LIABILITIES

The Group as lessee

	The Group	
	2021 \$'000	2020 \$'000
Maturity analysis:		
Within one year	12,430	14,009
In the second to fifth year inclusive	55,589	58,160
After five years	29,769	4,654
	97,788	76,823
Less: Future finance charges	(6,176)	(5,297)
	91,612	71,526
Analysed as:		
Current	11,131	12,215
Non-current	80,481	59,311
	91,612	71,526

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

The total cash outflow for leases (including short-term leases and leases of low value assets) amount to \$10,701,000 (2020 : \$11,329,000).

As at 31 December 2021, the Group is committed to \$35,000 (2020 : \$44,800) for leases exempted under SFRS(I) 16.

29 OPERATING LEASE ARRANGEMENTS

The Group as lessor

Operating leases, in which the Group is the lessor, 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.

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Maturity analysis of operating lease payments:				
Within one year	15,003	16,801	12,515	13,413
In the second to fifth year inclusive	13,625	13,317	12,217	9,758
Total	28,628	30,118	24,732	23,171

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

30 CAPITAL COMMITMENTS

As at 31 December 2021, the Group and the Company have the following capital commitments contracted for but not provided for in the Financial Statements:

	The Group		The Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Purchase of vehicles, premises and equipment	17,608	25,257	15,959	24,026

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Financial assets				
Amortised cost	438,998	358,919	681,069	647,336
Financial instruments designated in hedge accounting relationships:				
Hedging instrument	653	–	319	–
Financial liabilities				
Amortised cost	290,234	263,922	229,385	226,454
Financial instruments designated in hedge accounting relationships:				
Hedging instrument	69	–	34	–

(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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

- (b) Financial risk, management policies and objectives (cont'd)

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.

Foreign currency sensitivity

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.

Interest rate risk management

The Group's primary interest rate risk relates to borrowings, investments in fixed income securities and 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.

Summary quantitative data of the Group's interest-bearing financial instruments are disclosed in Section (e) of this note.

Interest rate sensitivity

Based on sensitivity analysis performed at end of the reporting period, the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or Other Comprehensive Income of the Group is insignificant.

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 only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. 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 gradings 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

- (b) Financial risk, management policies and objectives (cont'd)

Credit risk management (cont'd)

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.

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 \$463,000 (2020 : \$312,000). The sensitivity analysis assumes that consumption is held constant at the same level as in 2021.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS 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, short term loans and other liabilities approximate the respective fair values due to the relatively short-term maturity of these financial instruments.

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).

The fair values of the Group's investments are classified into Level 1. The Group's hedging instruments are classified into Level 2. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

(c) Hedging instruments

	The Group		The Company	
	31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Financial assets				
At fair values:				
Fuel hedges	653	–	319	–
Financial liabilities				
At fair values:				
Foreign exchange hedges	69	–	34	–

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 and the Company's fuel hedging instruments comprised \$653,000 and \$319,000 respectively of assets on cash flow hedges in Other Comprehensive Income.

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 and the Company's foreign exchange hedging instruments comprised \$69,000 and \$34,000 respectively of liabilities on cash flow hedges in Other Comprehensive Income.

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 and Company have outstanding fuel and foreign exchange hedges with notional amounts totalling \$10,422,000 (2020 : \$NIL).

(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. The Group's debt capital refers to borrowings comprising loans under Note 12 while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2021 and 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

31 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (CONT'D)

- (e) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's and the Company's financial liabilities:

	Carrying amount \$'000	Contractual cash flows			Effective interest rate %
		Total \$'000	Within 1 year \$'000	Within 2 to 5 years \$'000	
2021					
Short Term Bank Loans – Unsecured	–	–	–	–	–
2020					
Short Term Bank Loans – Unsecured	25,000	25,050	25,050	–	0.81

32 DIVIDENDS

- (a) During the financial year, the Company paid dividends as follows:

	2021 \$'000	2020 \$'000
Tax-exempt one-tier final dividend in respect of the previous financial year: – 6.30 cents (2020 : 5.90 cents) per ordinary share	19,647	18,400
Tax-exempt one-tier interim dividend in respect of the current financial year: – 5.75 cents (2020 : NIL cents) per ordinary share	17,932	–
Total	37,579	18,400

- (b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier first and final dividend of 2.45 cents per ordinary share totalling \$7,641,000 (2020 : \$19,647,000) be paid for the financial year ended 31 December 2021. 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 5.75 cents per ordinary share (2020 : NIL cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2021 will be 8.20 cents per ordinary share (2020 : 6.30 cents per ordinary share).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

33 LICENCE FOR RAIL SERVICES

- (a) Current Rail Financing Framework (Existing Licences till 31 December 2021)

North East Line, Punggol LRT System and Sengkang LRT System (collectively, the "Licensed System")

With effect from 1 April 2018, the Company was granted a licence to operate the Licensed Systems under the NRFF (Version 2) for a period of 15 years. If the Company applies for an extension, LTA may extend the term of the new licence for a further five years subject to terms and conditions as LTA may impose and the Company may accept.

The NRFF is an asset-light model whereby the LTA will make the capital investments in operating assets and thereby retain the ability and flexibility to decide on the additions, renewals and replacements and undertake long term planning for the rapid transit system network. It allows the LTA to respond more promptly to commuter needs, while relieving the Company of the cost of asset renewal and upgrade, and of procuring additional operating assets when ridership demand increases, in order to meet service level and reliability standards. The NRFF was first implemented in 2011 when the Company was awarded the tender for the DTL.

With the transition to the NRFF (Version 2), the Company will no longer need to buy over the first set of operating assets from the LTA. Going forward, LTA will also own and pay for the operating assets, including additions, renewals and replacements. In conjunction with the transition to the NRFF (Version 2), the Company had entered into Sale and Purchase Agreements with the LTA on 14 February 2018 for the sale of certain operating assets required for the operation of the Licensed Systems which were purchased by the Company prior to the transition. The aggregate consideration for the sale was based on the respective net book values of such assets on the date of transfer amounted to \$29,210,000.

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 the Company 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 Company for the year.

In addition, the LTA may reimburse or be reimbursed by the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

33 LICENCE FOR RAIL SERVICES (CONT'D)

- (a) Current Rail Financing Framework (Existing Licences till 31 December 2021) (cont'd)

Downtown Line MRT System

A licence dated 19 December 2013 was issued by LTA to the subsidiary of the Company under which the subsidiary of the Company is licensed to operate the DTL.

The licence sets out the conditions governing the operation of the DTL and includes, among others, the following:

- (i) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.
 - (ii) The licence fee payable to LTA is prescribed under the subsidiary legislation of the Rapid Transit Systems Act during the Licence Term.
 - (iii) The subsidiary of the Company shall pay LTA a licence charge which consists of Fixed Charge and Revenue Share Charge. A yearly Fixed Charge is payable from financial year 2019 to end of licence period. If the Operating Surplus minus the Fixed Charge for a financial year is more than the Threshold Profit, the subsidiary of the Company shall pay Revenue Share Charge.
 - (iv) After the commencement of revenue service of the last stage, the subsidiary of the Company shall pay LTA a Cash-Bid Amount if the Net Operating Surplus for a financial year is more than the Threshold Profit.
 - (v) All Operating Assets shall remain the property of LTA except for Spares, Special Tools, Non-Proprietary Items and End Devices purchased by the subsidiary of the Company during the Licence Term.
- (b) New Rail Financing Framework (Effective from 1 January 2022)

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.

The Consolidated Rail Licence will take effect from 1 January 2022 to operate the NEL, SPLRT and the DTL for a period of 11 years. This Consolidated Rail Licence will supersede the licence granted to NEL, SPLRT dated 1 April 2018 and the licence granted to DTL dated 19 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

33 LICENCE FOR RAIL SERVICES (CONT'D)

- (b) New Rail Financing Framework (Effective from 1 January 2022) (cont'd)

Consolidated Rail Licence as part of NRFF (Version 2) (cont'd)

In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, SBS Transit Rail Pte. Ltd. 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 SBS Transit Rail Pte. Ltd. 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 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2021

34 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. Under the Negotiated Contract, the Company operates a total of 8 bus packages with an average contract period of 7 years. The 8 bus packages are: Bukit Merah, Sengkang-Hougang, Bedok, Jurong West, Tampines, Serangoon-Eunos, Clementi and Bishan-Toa Payoh. The contracted expiry dates of the 8 bus packages range from 2018 to 2026 and any further extension may be granted at the sole discretion of LTA.

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.

Subsequent to the Negotiated Contract, the Company was awarded the Seletar Bus Package in April 2017 and the Bukit Merah Bus Package (the first among the 8 bus packages within the Negotiated Contract to expire) in February 2018 respectively through the tender process conducted by LTA. Both bus packages secured through the tender process have a contract period of five years which can be extended by another two years. The Seletar and Bukit Merah Bus Packages had commenced operations from March 2018 and November 2018 respectively.

Among the seven negotiated contract packages, one was extended on 1 September 2021 for three years while another five will be extended by an average of three years from their original service terms as part of the transition of DTL to NRFF (Version 2).

Including the two bus packages secured through tender, the Company operates a total of 9 bus packages which cover a total of 228 bus services, 7 bus depots, 1 bus park, 17 bus interchanges and 15 bus terminals. The fleet size required to operate the 9 packages is around 3,500 buses.

Under the BCM, LTA retains all fare revenue collected from the provision of the bus services. Revenue for the Company is derived from the provision of bus services which comprises service fee and leasing fee. 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.

In addition to operating and managing bus services to specified performance standards, the Company’s responsibilities include the following:

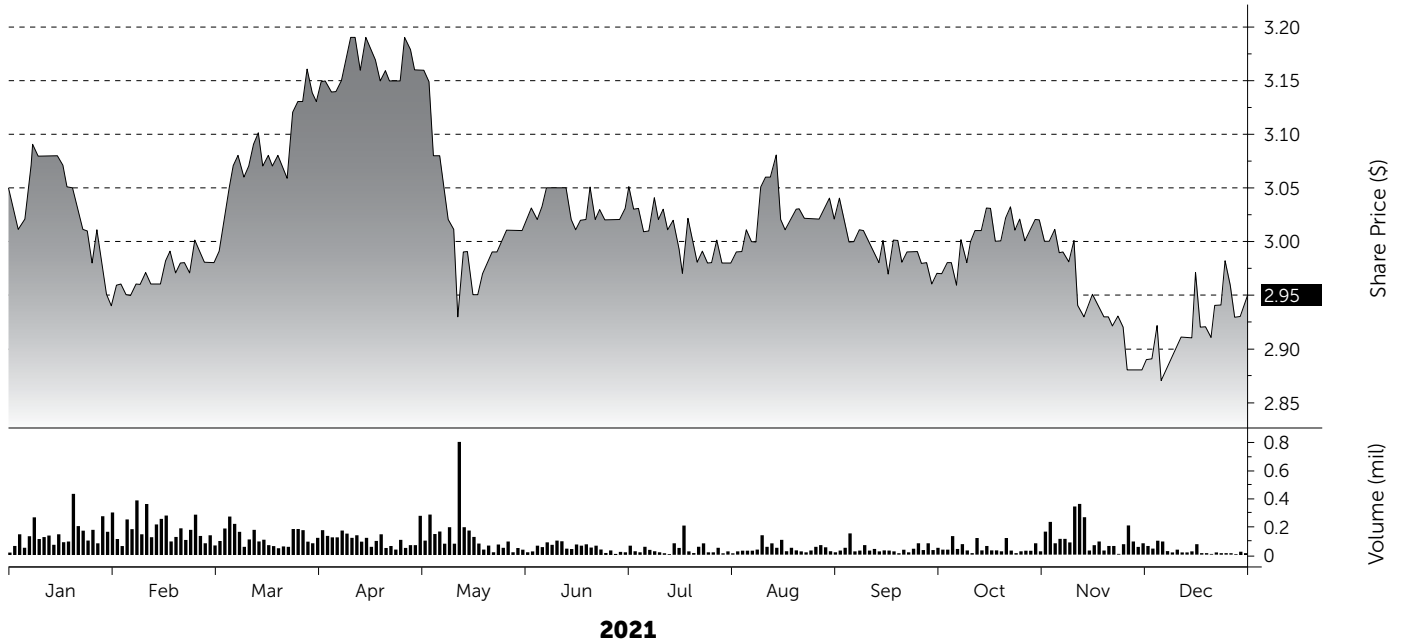
- (a) Operate, manage and maintain the buses and their on-board equipment;
- (b) Operate, and maintain the bus interchanges, bus depots including the equipment and systems therein;
- (c) Charge and collect fares as approved by the PTC, on behalf of LTA, for travel on the bus services;
- (d) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- (e) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

35 CONTINGENT EVENT

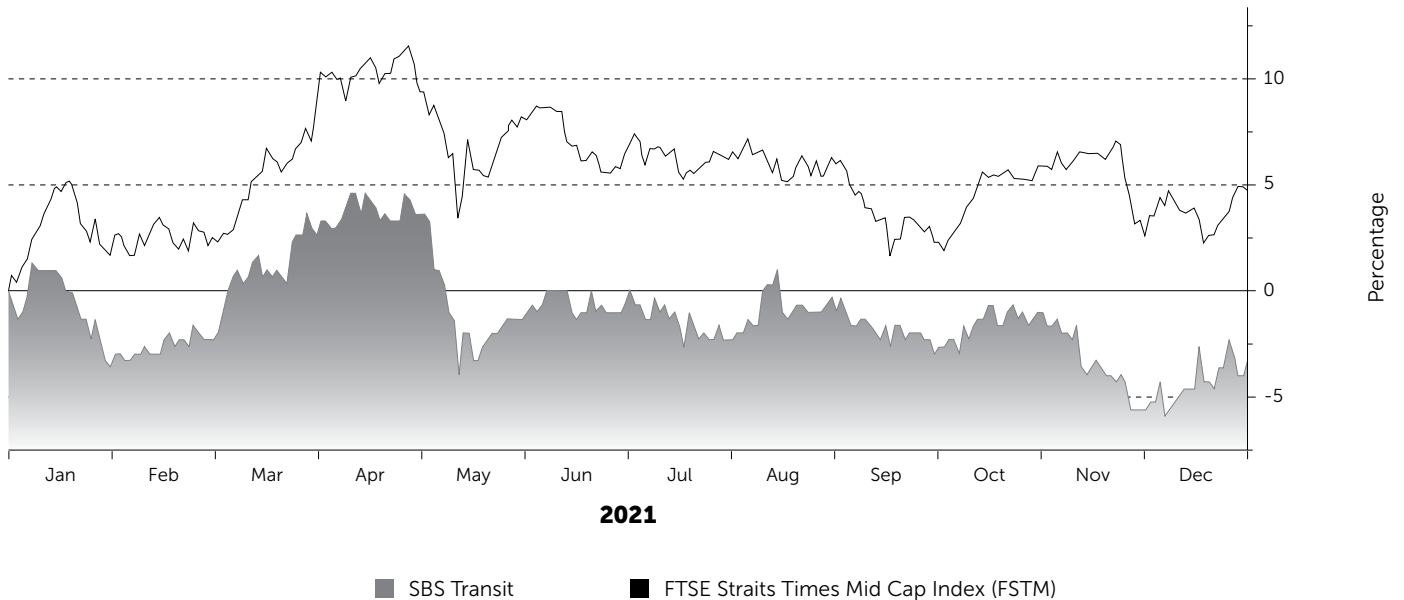
13 Bus Captains commenced legal proceedings against the Company between 20 September 2019 and 1 March 2020 in relation to, *inter alia*, working hours, rest days, overtime pay and allowances. At the date of this report, the Company is in the midst of legal proceedings. As at 31 December 2021, Management is of the view that no provision is required with regard to the above.

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 2022

Issued and Fully Paid-Up Capital	:	\$100,498,983
No. of Shares Issued	:	311,864,766
Class of Shares	:	Ordinary Shares Fully Paid
Voting Rights	:	One (1) Vote Per Share

The Company does not hold any Treasury Shares and Subsidiary Holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 1 MARCH 2022

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	26	0.13	621	0.00
100 – 1,000	4,086	20.89	2,560,356	0.82
1,001 – 10,000	14,890	76.13	28,052,772	9.00
10,001 – 1,000,000	548	2.80	21,410,196	6.86
1,000,000 & ABOVE	9	0.05	259,840,821	83.32
TOTAL	19,559	100.00	311,864,766	100.00

LIST OF TWENTY (20) LARGEST SHAREHOLDERS

(As recorded in the Depository Register as at 1 March 2022)

	Name of Shareholder	No. of Shares	% ⁽¹⁾
1	COMFORTDELGRO CORPORATION LIMITED	232,125,512	74.43
2	DBS NOMINEES PTE LTD	9,003,299	2.89
3	RAFFLES NOMINEES (PTE) LIMITED	5,894,550	1.89
4	CITIBANK NOMINEES SINGAPORE PTE LTD	3,976,424	1.27
5	UNITED OVERSEAS BANK NOMINEES PTE LTD	2,218,400	0.71
6	THAM LEUNG-HWA (TAN LONGHUA)	1,985,700	0.64
7	OCBC NOMINEES SINGAPORE PTE LTD	1,806,000	0.58
8	ABN AMRO CLEARING BANK N.V.	1,551,900	0.50
9	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,279,036	0.41
10	PHILLIP SECURITIES PTE LTD	862,735	0.28
11	IFAST FINANCIAL PTE LTD	859,789	0.27
12	CHANGI BUS COMPANY (PRIVATE) LIMITED	691,548	0.22
13	HSBC (SINGAPORE) NOMINEES PTE LTD	638,514	0.20
14	TAN KUANGXU	435,800	0.14
15	PANG CHEOW JOW	400,000	0.13
16	MAYBANK SECURITIES PTE. LTD.	333,300	0.11
17	UOB KAY HIAN PTE LTD	316,500	0.10
18	JUSIN PRIVATE LIMITED	300,000	0.10
19	GOEI BENG GUAN ALEX	275,000	0.09
20	CHIN HSIANG SAN (QIAN XIANGSHAN)	250,000	0.08
	TOTAL:	265,204,007	85.04

Notes:

⁽¹⁾ The percentage of shareholding is calculated based on 311,864,766 issued shares of the Company as at 1 March 2022.

SHAREHOLDING STATISTICS

AS AT 1 MARCH 2022

SUBSTANTIAL SHAREHOLDER

(As recorded in the Register of Substantial Shareholders as at 1 March 2022)

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
COMFORTDELGRO CORPORATION LIMITED	232,125,512	74.43	–	–

Notes:

⁽¹⁾ The percentage of shareholding is calculated based on 311,864,766 issued shares of the Company as at 1 March 2022.

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 2022, approximately 25.53% 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 Twenty-Ninth Annual General Meeting (the “**AGM**”) of SBS Transit Ltd. (the “**Company**”) will be held on Thursday, 28 April 2022 at 10.00 a.m. via electronic means and at:

**AUDITORIUM
SINGAPORE CHINESE CULTURAL CENTRE
1 STRAITS BOULEVARD
SINGAPORE 018906**

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 2021 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 2.45 Singapore cents (S\$0.0245) per ordinary share in respect of the financial year ended 31 December 2021. **(Resolution 2)**
3. To approve the payment of Directors’ fees of S\$598,159 for the financial year ended 31 December 2021. **(Resolution 3)**
4. To re-elect Mr Tan Beng Hai, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.
[Please refer to Explanatory Note (a)] **(Resolution 4)**
5. To re-elect Mr Cheng Siak Kian, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.
[Please refer to Explanatory Note (b)] **(Resolution 5)**
6. To re-elect Mr Desmond Choo Pey Ching, a Director retiring pursuant to Regulation 106 of the Company’s Constitution.
[Please refer to Explanatory Note (c)] **(Resolution 6)**
7. To re-elect Ms Lee Sok Koon, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.
[Please refer to Explanatory Note (d)] **(Resolution 7)**
8. To re-elect Professor Yu Ching Man, a Director retiring pursuant to Regulation 100 of the Company’s Constitution.
[Please refer to Explanatory Note (e)] **(Resolution 8)**
9. To note the retirement of Mr Yang Ban Seng as a Director of the Company upon the Conclusion of this AGM.
[Please refer to Explanatory Note (f)]
10. To re-appoint Messrs Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Resolutions:

ORDINARY RESOLUTIONS:

11. AUTHORITY TO ISSUE SHARES UNDER THE SBS EXECUTIVE SHARE SCHEME

(Resolution 10)

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 (g)]

NOTICE OF ANNUAL GENERAL MEETING

12. RENEWAL OF SHARE BUYBACK MANDATE

(Resolution 11)

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**");

- (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

NOTICE OF ANNUAL GENERAL MEETING

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

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

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

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

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

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

(Note: The Share Buyback Mandate was approved at the AGM of the Company held on 29 April 2021.)
[Please refer to Explanatory Note (h)]

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 5.00 p.m. on Monday, 9 May 2022 for the purpose of determining Shareholders' entitlements to the proposed tax exempt one-tier final dividend of 2.45 Singapore cents (S\$0.0245) per ordinary share for the financial year ended 31 December 2021 (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, 9 May 2022 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, 9 May 2022 will be entitled for the Proposed Final Dividend.

The Proposed Final Dividend, if approved by the Shareholders at the Twenty-Ninth Annual General Meeting of the Company, will be paid on Thursday, 26 May 2022.

BY ORDER OF THE BOARD SBS TRANSIT LTD

Angeline Joyce Lee Siang Pohr
Company Secretary
Singapore

30 March 2022

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

ORDINARY BUSINESS:

- (a) Mr Tan Beng Hai⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as Chairman of the Board and the SBST Tenders Committee, and a member of the Nominating and Remuneration Committee and the Sustainability Committee. Mr Tan will be considered an Independent Non-Executive Director of the Company.
- (b) Mr Cheng Siak Kian⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as Chief Executive Officer and a member of the Service Quality Committee, the SBST Tenders Committee and the Sustainability Committee. Mr Cheng will be considered a Non-Independent Executive Director of the Company.
- (c) Mr Desmond Choo Pey Ching⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as a member of the Audit and Risk Committee, the Nominating and Remuneration Committee and the Sustainability Committee. Mr Choo will be considered an Independent Non-Executive Director of the Company, pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (d) Ms Lee Sok Koon⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as Chairman of the Audit and Risk Committee, and a member of the Service Quality Committee and SBST Tenders Committee. Ms Lee will be considered an Independent Non-Executive Director of the Company pursuant to Rule 704(8) of the Listing Manual of the SGX-ST.
- (e) Professor Yu Ching Man⁽¹⁾ will, upon re-election as a Director of the Company, continue to serve as Chairman of the Service Quality Committee and a member of the SBST Tenders Committee and the Sustainability Committee. Professor Yu will be considered an Independent Non-Executive Director of the Company.
- (f) Mr Yang Ban Seng will, upon his retirement as a Director of the Company, cease to be Deputy Chairman of the Board, and a member of the Audit and Risk Committee, the Nominating and Remuneration Committee, and the SBST Tenders Committee. Upon his retirement, Mr Yang will also step down from his appointment as a Director of SBS Transit Rail Pte. Ltd.

⁽¹⁾ 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 FY2021 Annual Report of the Company.

SPECIAL BUSINESS:

- (g) Ordinary Resolution 10, 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.

NOTICE OF ANNUAL GENERAL MEETING

- (h) Ordinary Resolution 11, 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 30 March 2022 (the “Circular”), which is available at 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 2021 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.
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, 18 April 2022). 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.

NOTICE OF ANNUAL GENERAL MEETING

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 **agm2022@sbstransit.com.sg**; or
 - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST_AGM2022**,
- in each case, by 10.00 a.m. on Monday, 25 April 2022, 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, 25 April 2022), 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 pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("**Physical Meeting**") and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Virtual Meeting**").

NOTICE OF ANNUAL GENERAL MEETING

Shareholders of the Company (“**Shareholders**”) shall take note of the following arrangements for the conduct of the AGM on Thursday, 28 April 2022 at 10.00 a.m.:

1. **Attendance**

Due to the current COVID-19 situation, the Company will restrict the number of attendees at the Physical Meeting to 100 persons or such other number as the Directors may determine in compliance with the prevailing Ministry of Health (“**MOH**”) advisory.

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_AGM2022** for verification purposes by 10.00 a.m. on Monday, 25 April 2022.

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_AGM2022** 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, 25 April 2022), failing which the appointment shall be invalid.

Following verification, the Company will provide verified Shareholders and Proxy(ies) with a confirmation email by Tuesday, 26 April 2022 (“**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, 25 April 2022 but have not received the Confirmation Email for Virtual Meeting by Tuesday, 26 April 2022, 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.

Physical Meeting

Please pre-register for verification purposes by 10.00 a.m. on Monday, 25 April 2022 at the URL: **www.conveneagm.sg/SBST_AGM2022** and indicate your interest to attend the AGM physically at the AGM venue.

Due to the restriction on the number of attendees at the AGM venue, the Company reserves the right to select verified Shareholders who have indicated their interest to attend the AGM physically during pre-registration.

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_AGM2022** 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, 25 April 2022), 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, 26 April 2022 (“**Confirmation Email for Physical Meeting**”) via the email address provided during the pre-registration or as indicated in the Proxy Form.

Verified Shareholders who are unsuccessful in the pre-registration to attend the Physical Meeting will receive a Confirmation Email for Virtual Meeting by Tuesday, 26 April 2022 to attend the Virtual Meeting by accessing 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 accounts.

Shareholders who have registered by 10.00 a.m. on Monday, 25 April 2022 but have not received the Confirmation Email for Physical Meeting or the Confirmation Email for Virtual Meeting, as the case may be, by Tuesday, 26 April 2022, 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

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_AGM2022.

All questions must be submitted by 10.00 a.m. on Monday, 25 April 2022, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

The Company will endeavour to respond to substantial and relevant questions received from the Shareholders and Proxy(ies) during the AGM.

- (b) Submission of questions during the AGM:

Virtual 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:

- (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.

Physical Meeting

Verified Shareholders and Proxy(ies) attending the Physical Meeting will be able to ask questions in person at the AGM venue.

- (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/agm2022proxyform, or on SGXNET. The electronic proxy form is also available on the Company's AGM pre-registration site, www.conveneagm.sg/SBST_AGM2022.

NOTICE OF ANNUAL GENERAL MEETING

(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 **agm2022@sbstransit.com.sg**; or
- (iii) lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST_AGM2022**,

and submitted by 10.00 a.m. on Monday, 25 April 2022, being not less than seventy-two (72) hours before the time appointed for the holding of the AGM.

(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, 18 April 2022), 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 2021 and the Circular dated 30 March 2022 in relation to the proposed renewal of the Share Buyback Mandate have been uploaded on SGXNET on 30 March 2022 and may be accessed via SGXNET and also the Company's website at **www.sbstransit.com.sg**.

5. Precautionary measures to minimise the risk of COVID-19

The following steps will be taken for Shareholders and others attending the AGM to help to minimise the risk of community spread of the virus:

- (a) All attendees of the Physical Meeting will be required to check-in using SafeEntry before entering the AGM venue for the Physical Meeting.
- (b) All attendees must be subject to Vaccination-Differentiated Safe Management Measures (VDS), i.e. every attendee must be fully vaccinated, recovered from COVID-19 within the past 180 days, or medically ineligible for vaccines under the National Vaccination Programme.
- (c) All attendees of the Physical Meeting will be required to wear face masks at the AGM Venue at all times.

NOTICE OF ANNUAL GENERAL MEETING

- (d) All attendees must comply with the prevailing guidelines on safe distancing.
- (e) Shareholders and Proxy(ies) who received the Confirmation Email for Physical Meeting but are feeling unwell on the date of the AGM are advised not to attend the Physical Meeting.
- (f) Shareholders and Proxy(ies) who received the Confirmation Email for Physical Meeting are also advised to arrive at the Physical Meeting earlier, as the measures mentioned above may cause delay in the registration process.

The Company seeks the understanding and co-operation of all members, Shareholders and Proxy(ies) to safeguard public health and safety and minimise the risk of community spread of COVID-19.

6. 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.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Bob Tan Beng Hai, Mr Cheng Siak Kian, Mr Desmond Choo Pey Ching, Ms Lee Sok Koon and Professor Yu Ching Man, all of whom are seeking re-election as Directors of the Company at the 29th Annual General Meeting to be held on Thursday, 28 April 2022, is to be read in conjunction with their respective biographies on pages 12 to 16.

	BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	DESMOND CHOO PEY CHING (Independent Non-Executive Director)	LEE SOK KOON (Independent Non-Executive Director)	YU CHING MAN (Independent Non-Executive Director)
Country of principal residence	Singapore	Singapore	Singapore	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 be an asset to the Company.	Mr Cheng has in-depth knowledge of public transport operations and strong leadership and management skills to drive the business forward.	With his expertise in economic and social policies and his strong governmental background, Mr Choo will be able to help guide the business through any socio-political issues and enhance the core competencies of the Board.	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.	Prof Yu's expertise in aerospace and rail engineering will provide greater balance and diversity of skills, experience and knowledge amongst Directors and continue to contribute towards the core competencies of the Board.
	Please refer to Mr Bob Tan Beng Hai's profile on page 12 of the Annual Report 2021	Please refer to Mr Cheng Siak Kian's profile on page 13 of the Annual Report 2021	Please refer to Mr Desmond Choo Pey Ching's profile on page 13 of the Annual Report 2021	Please refer to Ms Lee Sok Koon's profile on page 15 of the Annual Report 2021	Please refer to Prof Yu Ching Man's profile on page 16 of the Annual Report 2021
Working experience and occupations(s) during the past 10 years	<p>Current Directorships:</p> <ol style="list-style-type: none"> SBS Transit Ltd* – Chairman (since 2021) Ascott Business Trust Management Pte Ltd# – Chairman (since 2019) Ascott Residence Trust Management Limited# – Chairman (since 2016) Singapore Post Limited* (since 2016) Sembcorp Marine Ltd* (since 2015) Jurong Engineering Ltd – Chairman (since 2005) <p>Other Appointments:</p> <ol style="list-style-type: none"> Monetary Authority of Singapore – Securities Industry Council Member (since 2020) Monetary Authority of Singapore – Corporate Governance Advisory Committee Member (since 2019) Sentosa Development Corporation – Chairman (since 2019) NTUC Club Management Council – Council Member (since 2003) Ong Teng Cheong Labour Leadership Institute – Board Member (since 2002) 	<p>Current Directorships:</p> <ol style="list-style-type: none"> SBS Transit Ltd* – Chief Executive Officer (since 2021) SBS Transit Rail Pte Ltd (since 2019) ComfortDelGro Bus Pte. Ltd. (since 2019) ComfortDelGro Engineering Pte Ltd (since 2019) <p>Other Appointments: Nil</p>	<p>Current Directorships:</p> <ol style="list-style-type: none"> SBS Transit Ltd* – Director (since 2021) Surbana Jurong Pte Ltd – Director (since 2018) <p>Other Appointments:</p> <ol style="list-style-type: none"> People's Association – Mayor, North East District and Advisor, Tampines Grassroots Organisation (since 2017) National Trades Union Congress – Assistant Secretary-General (since 2015) Member of Parliament Tampines GRC (since 2015) Economic Development Board – Member (since 2022) 	<p>Current Directorships:</p> <ol style="list-style-type: none"> SBS Transit Ltd* – Director (since 2017) Japan Foods Holding Ltd* – Director (since 2011) Lum Chang Holdings Ltd* – Director (since 2021) Mooreast Holdings Ltd* – Director (since 2021) NUS America Foundation, Inc. – Director (since 2017) <p>Other Appointments:</p> <ol style="list-style-type: none"> The Singapore Island Country Club – Member of Finance and Investment Committee (5 Oct 2021 to date of AGM of SICC in 2022) Singapore Arts School Ltd – Honorary Member of Fundraising Committee (1 Feb 2020 to 31 Dec 2023) 	<p>Current Directorships:</p> <ol style="list-style-type: none"> SBS Transit Ltd* – Director (since 2018) <p>Other Appointments:</p> <ol style="list-style-type: none"> Rolls Royce Singapore – Trainer for Holistic Gas Turbine (since 2010) Hong Kong Polytechnic University – Professor, Department of Aviation and Aeronautical Engineering (since 2018)

* Listed Company

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	DESMOND CHOO PEY CHING (Independent Non-Executive Director)	LEE SOK KOON (Independent Non-Executive Director)	YU CHING MAN (Independent Non-Executive Director)
Current Principal Commitments:	Current Principal Commitments:	Current Principal Commitments:	Current Principal Commitments:	Current Principal Commitments:
<ol style="list-style-type: none"> SBS Transit Ltd* – Chairman (since 2021) Ascott Business Trust Management Pte Ltd# – Chairman (since 2019) Ascott Residence Trust Management Limited# – Chairman (since 2016) Singapore Post Limited* (since 2016) Sembcorp Marine Ltd* (since 2015) Jurong Engineering Ltd – Chairman (since 2005) Sentosa Development Corporation – Chairman (since 2019) 	<ol style="list-style-type: none"> SBS Transit Ltd* – Chief Executive Officer (since 2021) 	<ol style="list-style-type: none"> People's Association – Mayor, North East District and Advisor, Tampines Grassroots Organisation (since 2017) National Trades Union Congress – Assistant Secretary-General (since 2015) Surbana Jurong Pte Ltd (since 2018) 	<p>Nil</p> <p>Past 10 years Experience:</p> <ol style="list-style-type: none"> Singapore Arts School Ltd (resigned in Jan 2020) Invictus Group Pte Ltd 	<ol style="list-style-type: none"> Hong Kong Polytechnic University – Professor, Department of Aviation and Aeronautical Engineering (since 2018)
Past 10 years Experience:	Past 10 years Experience:	Past 10 years Experience:	Past 10 years Experience:	Past 10 years Experience:
Listed Companies:	Appointments in ComfortDelGro Group:	Others Appointments:		
<ol style="list-style-type: none"> CapitaMalls Asia Ltd* – Director (1 Mar 2013 - 22 Jul 2014), Chairman of Audit Committee, Member of Finance and Budget Committee and Member of Risk Committee Asia Pacific Breweries Ltd* – Director (1 Oct 2010 - 22 Feb 2013), Chairman of Audit and Remuneration Committees and Member of Nominating Committee 	<ol style="list-style-type: none"> SBS Transit Ltd* – Acting Chief Executive Officer (1 Mar 2020 - 1 Mar 2021) SBS Transit Ltd* – Chief Operating Officer (1 Jul 2019 - 29 Feb 2020) ComfortDelGro Corporation Australia Pty Ltd (NSW) – Chief Executive Officer (1 Dec 2016 - 30 Jun 2019) ComfortDelGro Corporation Limited* – Senior VicePresident (Overseas Assignee) (Oct 2016 - Nov 2016) SBS Transit Ltd* – Senior Vice President, Bus Business (Sep 2015 - Sep 2016) 	<ol style="list-style-type: none"> Kestrel Capital Pte Ltd – Director (2013 - 2015) Valencia Football Club Foundation – Director (2014 - 2016) 		<ol style="list-style-type: none"> Singapore Institute of Technology – Professor and Founding Programme Director for Sustainable Infrastructure Engineering (Land and Building Services) (2013 - mid 2018) Xi'an JiaoTong University, China – Adjunct Professor, Department of Architecture and Building Sciences (2015 - 2018) Nanyang Technology University (NTU) – Founding Director, NTU-TUM Full-time Master of Science Programme in Aerospace Engineering (2009 - 2013) Nanyang Technology University – Head, Division of Aerospace Engineering, School of Mechanical and Aerospace Engineering (2008 - 2013)
Non Listed companies/ Others:				
<ol style="list-style-type: none"> SINGEX Holdings Pte. Ltd. – Chairman (28 Jun 2013 – 1 Jan 2021) Institute of Technical Education – Chairman (1 Apr 2007 - 31 Dec 2019) Board member (1 Apr 1998 - 31 Mar 2007) 				

* Listed Company

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

BOB TAN BENG HAI
Chairman
(Independent Non-Executive Director)

CHENG SIAK KIAN
Chief Executive Officer
(Non-Independent Executive Director)

DESMOND CHOO PEY CHING
(Independent Non-Executive Director)

LEE SOK KOON
(Independent Non-Executive Director)

YU CHING MAN
(Independent Non-Executive Director)

-
3. Inland Revenue Authority of Singapore – Board member (1 Sep 2013 - 31 Aug 2019)
 4. Singapore Manufacturing Federation – Member of the Board of Governors (28 Jan 2014 - 12 Nov 2018)
 5. Singapore LNG Corporation Pte Ltd – Chairman (15 Jun 2010 - 15 May 2018)
 6. SMRT Trains Ltd – Director (20 May 2013 - 17 July 2017)
 7. SMRT Corporation Ltd (Delisted on 31 Oct 2016) – Director (1 August 2006 - 17 Jul 2017), Chairman of Audit Committee and Member of Nominating Committee
 8. Singapore Golf Association – Board member (31 Mar 2006 - 11 Mar 2010), and President (11 Mar 2010 - 20 Jul 2016)
 9. Tripartite Alliance for Fair and Progressive Employment Practices – Co-Chairman (May 2006 - 1 Sep 2015)
 10. Sentosa Golf Club – General Committee Member and Captain (1 Apr 2005 - 31 Mar 2015)
 11. Charity Council – Member (1 Mar 2009 - 28 Feb 2015)
 12. National Wages Council – Member (Apr 2004 - Sep 2014)
 13. Singapore National Employers Federation – Council member (1986 - 25 Sep 2014) and Vice President (Jun 1988 - 25 Sep 2014)
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ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	DESMOND CHOO PEY CHING (Independent Non-Executive Director)	LEE SOK KOON (Independent Non-Executive Director)	YU CHING MAN (Independent Non-Executive Director)
	14. Singapore Business Federation – Council member (7 Dec 2004 - 27 Jun 2014) and Honorary Treasurer (25 Jun 2008 – 1 Mar 2014) 15. SBF Holdings Pte Ltd – Director (10 Dec 2008 - 30 Apr 2014) 16. SINGEX Venues Pte Ltd – Chairman (1 Apr 2010 - 28 Jun 2013) 17. SINGEX Exhibition Pte Ltd – Chairman (1 Apr 2010 - 28 Jun 2013) 18. SINGEX Exhibition Ventures Pte Ltd – Chairman (1 Apr 2010 - 28 Jun 2013) 19. SMRT Trains Ltd – Director (7 Sep 2006 - 3 Feb 2012) 20. SMRT Road Holdings Ltd – Director (7 Sep 2006 - 6 Feb 2012) 21. SMRT Buses Ltd – Director (7 Sep 2006 - 6 Feb 2012)				
Shareholding interest in the listed issuer and its subsidiaries	Nil	Direct Interest: ComfortDelGro Corporation Limited* – 16,250 ordinary shares	Nil	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	No	No	No
Conflict of interest (including any competing business)	No	No	No	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	Yes	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	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	DESMOND CHOO PEY CHING (Independent Non-Executive Director)	LEE SOK KOON (Independent Non-Executive Director)	YU CHING MAN (Independent Non-Executive Director)
(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	No	No	No
(c) Whether there is any unsatisfied judgement against him?	No	No	No	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	No	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	No	No	No
(f) Whether at any time during the last 10 years, judgement 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	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	DESMOND CHOO PEY CHING (Independent Non-Executive Director)	LEE SOK KOON (Independent Non-Executive Director)	YU CHING MAN (Independent Non-Executive Director)
(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	No	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	No	No	No
(i) Whether he has ever been the subject of any order, judgement 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	No	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	No	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

	BOB TAN BENG HAI Chairman (Independent Non-Executive Director)	CHENG SIAK KIAN Chief Executive Officer (Non-Independent Executive Director)	DESMOND CHOO PEY CHING (Independent Non-Executive Director)	LEE SOK KOON (Independent Non-Executive Director)	YU CHING MAN (Independent Non-Executive Director)
(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	No	No	No

SBS TRANSIT LTD

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199206653M)

**PROXY FORM
ANNUAL GENERAL MEETING****IMPORTANT**

1. The Twenty-Ninth Annual General Meeting (the "AGM") of the Company will be held physically pursuant to the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("Physical Meeting") and by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("Virtual Meeting").
2. Due to the current COVID-19 situation, the Company will restrict the number of attendees at the Physical Meeting to 100 persons or such other number as the Directors may determine in compliance with the prevailing Ministry of Health advisory.
3. 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.
4. 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 30 March 2022.
5. 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 Twenty-Ninth AGM to be held at the Auditorium of Singapore Chinese Cultural Centre, 1 Straits Boulevard, Singapore 018906 on Thursday, 28 April 2022 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 ⁽¹⁾	No. of Votes Against ⁽¹⁾	No. of Votes Abstained ⁽¹⁾
Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021			
2.	Declaration of Final Dividend for the financial year ended 31 December 2021			
3.	Approval of Directors' Fees amounting to \$598,159 for financial year ended 31 December 2021			
4.	Re-election of Mr Tan Beng Hai as a Director			
5.	Re-election of Mr Cheng Siak Kian as a Director			
6.	Re-election of Mr Desmond Choo Pey Ching as a Director			
7.	Re-election of Ms Lee Sok Koon as a Director			
8.	Re-election of Professor Yu Ching Man as a Director			
9.	Re-appointment of Auditors and authorising the Directors to fix their remuneration			
Special Business				
10.	Authority to issue shares under the SBS Executive Share Scheme			
11.	Renewal of the Share Buyback Mandate			

⁽¹⁾ If you wish to exercise all your votes "For" or "Against" or "Abstain", please tick [x] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2022

Total Number of Shares Held in ^(Note 4) :	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 **agm2022@sbstransit.com.sg**; or
 - (c) If submitted electronically, be lodged at the Company's AGM pre-registration website, **www.conveneagm.sg/SBST_AGM2022**, in each case, by **10.00 a.m. on Monday, 25 April 2022**, 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, 18 April 2022). 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 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

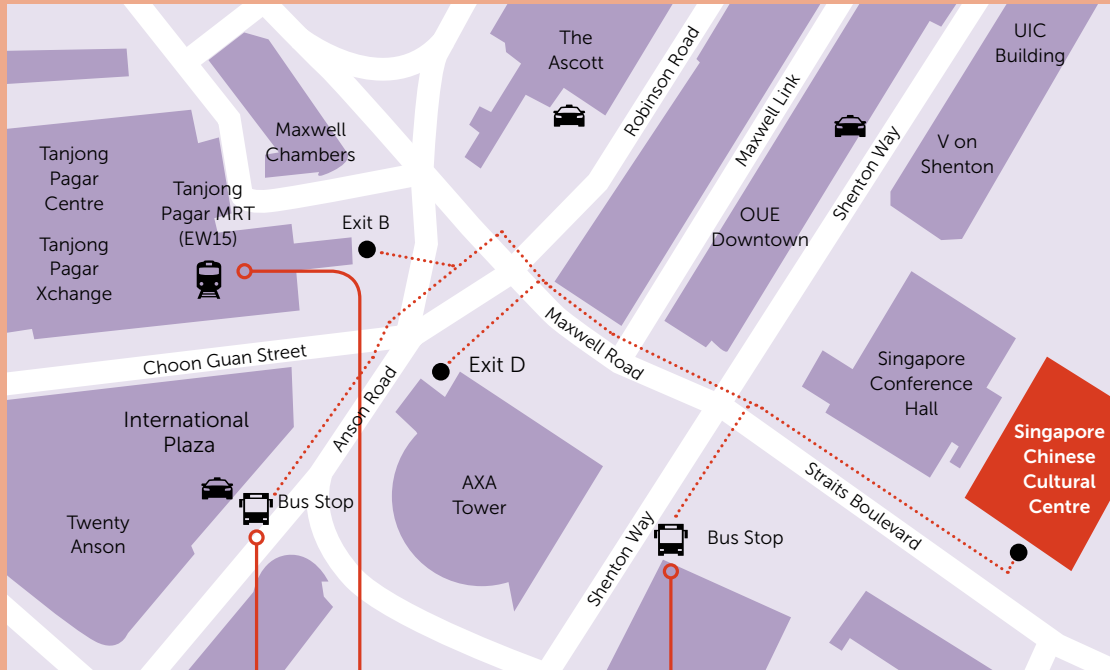
THE COMPANY SECRETARY

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:
TANJONG PAGAR
STN EXIT C (03223)

Bus 57, 131, 167, 186,
 400, 970

About a 10-minute walk
 from the bus stop

BY MRT:
Tanjong Pagar (EW15)

About a 7-minute walk
 from Exit B or D

BY BUS:
Opposite AXA Tower (03217)

Bus 10, 10e, 57, 97, 97e, 100,
 131, 502, 982E

About a 5-minute walk
 from the bus stop

**PLEASE NOTE THAT THE TWENTY-NINTH ANNUAL GENERAL MEETING
 OF SBS TRANSIT LTD WILL BE HELD ON THURSDAY, 28 APRIL 2022
 AT 10.00 A.M. VIA ELECTRONIC MEANS AND AT:**

AUDITORIUM
 SINGAPORE CHINESE CULTURAL CENTRE
 1 STRAITS BOULEVARD
 SINGAPORE 018906



SBS Transit Ltd

205 Braddell Road
Singapore 579701

Mainline (65) 6284 8866
Facsimile (65) 6287 0311
www.sbstransit.com.sg
Company Registration No. 199206653M