

GENERAL ANNOUNCEMENT::RESPONSES TO QUESTIONS FROM SHAREHOLDERS AND SIAS

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SBS TRANSIT LTD - SG1F58858209 - S61

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No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

16-Apr-2026 07:48:13

Status

New

Announcement Sub Title

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Announcement Reference

SG260416OTHRVFGK

Submitted By (Co./ Ind. Name)

Angeline Joyce Lee Siang Pohr

Designation

Company Secretary

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

Please see attached.

Attachments



[SBST - 20260416 - Response to Questions from Shareholders and SIAS.pdf](#)

Total size = 192K MB



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

**RESPONSES TO QUESTIONS FROM SHAREHOLDERS AND
THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
IN RELATION TO THE COMPANY’S 33rd ANNUAL GENERAL MEETING**

SBS Transit Ltd (the “Company”) wishes to thank shareholders and the Securities Investors Association (Singapore) (“SIAS”) for submitting their questions in advance of the Company’s 33rd Annual General Meeting which will be convened and held on Thursday, 23 April 2026 at 10.00 a.m. by way of electronic means and in person at Cassia Junior Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956.

Please refer to the Annex for our responses to the questions submitted by shareholders and the SIAS.

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

Au Cheen Kuan
Angeline Joyce Lee Siang Pohr
Company Secretaries

16 April 2026

ANNEX

SBS Transit Ltd

For the Year Ended 31 December 2025

(I) SIAS QUESTIONS AND OUR REPLIES

Q1. As noted in the joint statement by the Chairman and the Group CEO, the group currently operates eight bus packages comprising 207 routes, representing a market share of approximately 57%. The group's market share was as high as 62% in the past.

Recent tender outcomes have been mixed. The group successfully retained the Bukit Merah (PT218A) and Seletar (PT219) bus packages, while the Jurong West (PT218B) and Tampines (PT220) packages were awarded to competitors. In December 2025, the Land Transport Authority called a tender for the Serangoon-Eunos bus package, for which management has indicated its intention to submit a competitive bid.

- (i) With regard to the Tampines bus package tender (PT220), how has the board assessed the factors that led to an unsuccessful outcome despite a competitively priced bid? What specific gaps were identified in areas such as service quality, operational capability or innovation?
- (ii) As electrification becomes a key component of public transport strategy, what is the group's current capability in deploying and operating electric bus fleets at scale? How is the group investing to build expertise and differentiate itself in this area?
- (iii) In addition, could management clarify why the group's alternative bid¹ was not considered, and what this indicates about alignment with the Land Transport Authority's evaluation criteria and strategic priorities?
- (iv) Given the mixed results from PT218A to PT220, what specific action has the board directed management to take to strengthen bid competitiveness? How will the group refine its value proposition for the upcoming Serangoon-Eunos tender and future opportunities?

Q1 REPLY:

- (i) The Board has noted that the Land Transport Authority ("LTA") evaluates bids on a comprehensive set of criteria, with awards determined by both quality and price. In the PT220 tender, while we had put in a competitive bid which included quality initiatives aimed at uplifting the local industry, the successful bidder achieved a higher total score based on LTA's assessment. While disappointed that we did not win this tender, the Board remains confident in the strength of our operational capabilities and sees this outcome as part of an evolving tender landscape. Management continues to refine its approach to ensure future proposals will match LTA's expectations.
- (ii) We have been systematically building capabilities in electric bus operations through investments in electric bus trials, staff training and benchmarking against overseas operators with large-scale electric bus deployment (which includes corporations in the larger CDG Group) and other experienced operators. Electrification is now well-embedded as a core capability for the Company to

support Singapore's long-term public transport sustainability goals. Our Sengkang West Bus Depot (Singapore's first large-scale multi-storey electric bus depot) which has been successfully operationalized, is a testament to our expertise in large-scale electric bus operations.

- (iii) As per the tender framework, LTA has the discretion to decide whether to consider an alternative bid. Hence, LTA's decision not to consider our alternative bid does not provide any indication on LTA's evaluation criteria and strategic priorities.
- (iv) The Board, through Management, reviews all tender outcomes to sharpen the Company's value proposition, by ensuring close alignment with the tender evaluation criteria, including service excellence, operational robustness, and innovation. As the BC802 Serangoon-Eunos bus package tender is currently under evaluation, it would not be appropriate for us to comment on our value proposition for it. The Board remains confident in the Company's ability to participate meaningfully in future opportunities, including the Serangoon-Eunos bus package, while continuing to deliver sustainable value for our shareholders.

Q2. In the rail segment, the group experienced several service reliability incidents in 2025, including two service delays exceeding 30 minutes on the Downtown Line (DTL) and one on the North East Line (NEL). After several incidents during the year, a Rail Reliability Taskforce was formed by the Land Transport Authority, with representatives from both rail operators.

- (i) Do the reported service delays expose the group to financial penalties under regulatory frameworks?

While it was highlighted that Sengkang Punggol LRT (SPLRT) doubled its 2024 performance to 1.03 million car-km, the rail reliability measure for DTL fell significantly from a mean kilometers between failure (MKBF) of 8.13 million train-km to 2.79 million train-km and the NEL from 4.1 million train-km to 2.2 million train-km in 2024.

- (ii) Given that the independent directors' professional experience appears to be primarily outside rail and transport operations, how does the board assess whether it is currently fit-for-purpose to oversee a technically complex rail business, particularly in areas such as reliability, maintenance and safety? In this context, what has been the extent and nature of the independent directors' involvement in providing oversight and guidance, and how does the board ensure that such oversight is sufficiently rigorous and technically grounded to provide independent and effective challenge to management? (See also Q3 on board composition and skills matrix)
- (iii) Does the board benchmark the group's rail reliability against leading global operators, rather than domestic averages? How does the board define an appropriate performance standard, especially from the perspective of commuters who depend on rail services?

In FY2024, the company recapitalised its rail subsidiary through the issuance of \$340 million in redeemable preference shares by SBS Transit Rail Pte. Ltd. The company's investment in the subsidiary increased from \$100 million to \$440 million. Amounts due from subsidiaries decreased from \$35.75 million to \$0 as at 31 December 2025.

- (iv) Is the rail subsidiary now financially self-sustaining after fare adjustments by the Public Transport Council and the transition to the updated version of New Rail Financing Framework? Looking ahead, what is the anticipated capital outlay for Singapore One Rail to operate the Jurong Region Line, and how will this be funded?

Q2 REPLY:

- (i) We are not exposed to any financial penalties under the regulatory frameworks for the service delays in 2025. LTA has ascertained that the root causes of the delays on the Downtown Line (DTL) and North East Line (NEL) were related to external factors beyond our control.
- (ii) As disclosed in the Annual Report, independent directors provide active oversight through regular Board and Committee level reviews of reliability, maintenance, and safety performance, supported by regular reporting, trend analysis, and key risk indicators.

The Board recognises that rail operations are safety critical and technically complex. In assessing its fitness for purpose, the Board focuses on collective governance capability, oversight structures, access to technical expertise and assurance mechanisms, rather than individual directors' technical background. To maintain rigorous and technically grounded oversight, the Board draws on the support of the Company's senior management and specialist technical teams, independent internal assurance functions and external experts where appropriate.

The Board is also assisted by a dedicated rail subsidiary board, the SBS Transit Rail Pte Ltd Board, which includes the Board Chairman, Mr Bob Tan; Independent Non-Executive Director, Dr Christina Lim; Non-Independent Non-Executive Director, Mr Cheng Siak Kian; and Mr Leong Yim Sing who is formerly the Company's Head of Rail and has over 30 years' experience in operations and maintenance of rail systems in Singapore. The subsidiary board oversees technical and operational matters and provides regular updates to the main Board, allowing technical issues to be addressed at the appropriate level while the Board retains responsibility for governance, risk management and strategy.

The Board considers this framework, aimed at providing independent, informed and effective oversight of a technically complex rail business, is in line with Principles 1 and 2 of the Corporate Governance Code 2018, amended on 6 January 2023.

- (iii) The current reliability of our rail operations is benchmarked against leading global operators and our rail networks remain some of the most reliable in the world,

despite a decline in MKBF across Singapore. MKBF is a rail reliability metric that tracks the 12-month moving average distance in kilometres that a train travels before it encounters a delay of more than five minutes. Therefore, each delay of more than five minutes from the second such delay will result in a significant reduction of a rail line's MKBF. The Company's DTL and NEL ended 2025 with MKBF of 2.79 million train-km and 2.2 million train-km respectively, which were both significantly higher than the MKBF of the Singapore MRT network of 1.606 million train-km. As an active member of UITP (International Association of Public Transport), we regularly benchmark our rail reliability performance with global metro operators through international engagements. The Board also monitors the performance of the Rail Business in commuters' feedback and train journey adherence to ensure positive commuter experience.

- (iv) The Rail business is financially sustainable in 2025, following fare adjustments by Public Transport Council, government subsidies for deferred fare adjustments and the transition to the New Rail Financing Framework, with performance underpinned by operational improvements and stable cost conditions.

Singapore One Rail will operate under a service fee arrangement, under which the Government retains all fare revenue risk and the business remains asset-light. Under the current requirements, we are required to inject sufficient capital to cover steady-state operating expenses at the level as specified in the Service Contract.

Q3. The biographies of all ten directors are set out on pages 12 to 17 of the annual report. Additional information on the directors seeking re-election can be found on pages 143 to 147.

- (i) Has the nominating committee reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?
- (ii) Based on the current board composition and professional backgrounds of the independent directors, what is the board's level of domain expertise in areas such as preventive maintenance, reliability engineering, workplace safety, electrification and emerging technologies including autonomous driving and artificial intelligence? Also, how are investment decisions in these areas debated and evaluated at the board level?

Q3 Reply:

- (i) The Company's Nominating & Remuneration Committee ("NRC") reviews the Board's competency matrix annually as part of its assessment of Board composition, performance and succession planning, taking into account the Board's collective skills, experience, diversity and core competencies against the Company's business activities, strategic objectives and operating environment.

Based on this review, the Board is satisfied that it has an appropriate balance and mix of skills and competencies to discharge its responsibilities effectively. The competency matrix is also used as a forward-looking tool to identify potential gaps arising from Board renewal, tenure considerations and evolving business,

regulatory and technological developments, which are taken into account by the NRC in ongoing succession planning and future Board appointments.

- (ii) As noted in Q2(ii) reply, the Board discharges its responsibilities through its collective capability, independence, access to expertise and robust governance processes. While the Board may not have direct technical expertise in every identified discipline, it has sufficient corporate experience in providing strategic direction and governance oversight, with input from Management and, where appropriate, external advisers and subject matter experts. Any capability gaps are considered as part of annual Board renewal and succession planning, as well as training needs of the Board, having regard to the Company's long-term strategy and operating needs.

Investment decisions are subject to a structured governance and approval framework. Significant investments, strategic initiatives and technology-related proposals are reviewed by the Tenders and Investment Committee before escalation to the Board for approval, where required, with consideration given to strategic alignment, financial viability and returns, safety and operational risks, regulatory and compliance requirements, sustainability impact and long-term value creation.

(II) SHAREHOLDERS' QUESTIONS AND OUR REPLIES

Q1: Given the current high dividend payout, how does management prioritise between maintaining dividends and executing share buybacks, especially if earnings remain under pressure?

Q1 Reply:

We manage our capital allocation tightly, prioritising sustainable ordinary dividends to meet our minimum 50% dividend policy. The special dividend is a one-off payout from excess cash and is not intended to reflect a new dividend ratio.

Share Buybacks, by contrast, are opportunistic valuation-driven exercises, that complement dividends.

Q2: What is the real current bus accident rates? It appears on social media that buses often filter out on their own to force traffic to stop and has the accident rate really increase?

Q2 Reply:

Bus accident rates are tracked using LTA's Quality of Service Standard 2.1, which benchmarks fewer than 0.50 accidents per 100,000 bus-kilometres per month across all bus services. SBS Transit has met and exceeded this standard yearly.

With regards to buses filtering out from bus bays, our data shows that such incidents contribute little to the overall accident rates. Nonetheless, we continue to remind bus captains to exercise care when filtering out from bus bays. We also remind motorists and road users to give way to buses exiting bus bays, particularly at locations marked with the Mandatory

Give-Way-to-Buses scheme (indicated by a solid yellow box with an arrow). This cooperation helps ensure smoother and safer bus operations.

Q3: May we know how much revenue and profit after tax does rail operations contribute? In future annual reports, can SBS Transit breakdown "Transport Services" into its constituent components of rail and bus operations?

Q3 Reply:

We consolidate bus and rail information under public transport services due to commercial sensitivities. Singapore bus and rail operations are subject to public tender. Any inadvertent disclosure of details might provide our competitors an undue advantage.

Q4: Are you able to reveal more in-depth in the breakdown of "Trade and other receivables"? Is the increase due to Bus Contracting Model (BCM)? Going forward, do we expect the "Trade and other receivables" to continue to increase?

Q4 Reply:

Our public transport business structure has evolved from 2015, most notably the transition to the bus contracting model since September 2016 where LTA will pay bus operators to operate the bus services as well as pay bus operators for leasing operator-owned buses and depots. Hence trade receivables and other payables have grown.

Q5: Despite all the good works done, mentioned in last year and this year annual report, [SBS Transit] lost the last 2 bus package tenders over the last 2 years. Has management perform review?

Q5 Reply:

There were 4 bus packages tendered between 2023 to 2025, namely Jurong West and Bukit Merah (2023), Seletar (2024) and Tampines (2025) Bus Packages. Of these, the Company won two (Bukit Merah and Seletar) and lost two (Jurong West and Tampines).

The Board had tasked Management to continuously sharpen the Company's value proposition, including stronger alignment with evaluation criteria, service excellence, operational robustness and innovation.

Q6: Recently, I read news on delivery of driverless public bus into Singapore. How much involvement of [SBS Transit]?

Q6 Reply:

The Company would be operating autonomous buses on service 191 and 400 after the vehicles complete testing and are handed over to us. We have been working closely with LTA and the consortium supplying the autonomous buses to prepare for the deployment, which includes the development of new processes and training staff.