



SBS TRANSIT LTD

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199206653M)

**RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO
THE COMPANY'S THIRTY-SECOND ANNUAL GENERAL MEETING**

The Board of Directors (the "**Board**") of SBS Transit Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to thank all Shareholders who have submitted their questions in relation to the Company's Thirty-Second Annual General Meeting in advance of the meeting, which will be convened and held on Thursday, 24 April 2025 at 10.00 a.m. by electronic means and in person at the Auditorium of ComfortDelGro Headquarters, 205 Braddell Road, Singapore 579701.

Please refer to the Annex for our responses to the questions submitted by the Shareholders.

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

Angeline Joyce Lee Siang Pohr / Au Cheen Kuan
Company Secretaries

17 April 2025

Annex

Responses to questions raised by Shareholders in relation to the Company's Thirty-Second Annual General Meeting and 2024 Annual Report

Question 1

Moove Media (under "Other Commercial Services" in Note 26 of Annual Rpt): Revenue in 2024 has grown from \$56.8m to \$59.7m, but segment profit has decreased by almost 47% from \$36.46m to \$19.41m. Can you elaborate why? Thank you!

Response to Question 1:

Revenue from Other Commercial Services of \$59.7m for 2024 was higher by 5.1% or \$2.8m as compared to \$56.9m for 2023 due mainly to more digital campaigns rolled out. Operating profit for 2024 at \$19.4m decreased by 46.8% or \$17.1m as compared to \$36.5m for 2023 due mainly to advertising concession fee payable from 1 January 2024 under the new rail advertising concession agreement and higher premises costs, offset by higher revenue.

The Company had previously provided the following update on the new rail advertising concession agreement in its Media Release dated 27 February 2024.

“Under the terms of the Downtown Line's transition to the New Rail Financing Framework (Version 2), SBS Transit Rail Pte. Ltd. (“**SBST Rail**”) was to hand over the rail advertising business to the Land Transport Authority (“**LTA**”) from 1 January 2024; alternatively, LTA may allow SBST Rail to continue to operate the rail advertising business at a concession fee to be set by LTA. During LTA's consultation of the advertising industry on rail advertising in 2023, SBST Rail made representations to LTA for the retention of the rail advertising business with SBST Rail. Following a review by LTA, SBST Rail will continue to operate the rail advertising business from 1 January 2024 till the end of the rail licence period on 31 December 2032 under a concession agreement.”

Question 2:

Our Balance Sheet is very heavy in cash. As of Dec'24, we've \$379m parked in Fixed Deposits. Does the board have any plans to improve capital efficiency so as to achieve a higher ROE?

Response to Question 2:

A portion of the cash and cash equivalents on the balance sheet as of Dec'24 relates to proceeds from the disposal of the Soon Lee depot which are being proposed to be paid out in full as a special dividend at the upcoming AGM. In addition, the Company has proposed a higher final dividend compared to prior years, which, if approved by shareholders, would bring the total dividend paid for FY2024 to approximately 90% of profits attributable to shareholders. If both the final and special dividends are approved by shareholders, this would improve the Company's capital efficiency and ROE.

The Company adopts a prudent capital management approach that minimises debt and maintains sufficient working capital to operate its bus and rail businesses as well as to comply with contractual and regulatory capital obligations. The Board and Management will continue to keep a close watch on the Group's working capital requirements as well as contractual and regulatory capital obligations to determine the optimum capital structure for the Company.