

## REPL::Annual General Meeting::Voluntary

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	SMRT CORPORATION LTD
<b>Security</b>	SMRT CORPORATION LTD - SG1I86884935 - S53

## Announcement Details

<b>Announcement Title</b>	Annual General Meeting
<b>Date &amp; Time of Broadcast</b>	07-Jul-2015 19:45:44
<b>Status</b>	Replacement
<b>Announcement Reference</b>	SG150616MEETWM54
<b>Submitted By (Co./ Ind. Name)</b>	Jacquelin Tay Gek Poh
<b>Designation</b>	Company Secretary
<b>Financial Year End</b>	31/03/2015

## Event Narrative

<b>Narrative Type</b>	<b>Narrative Text</b>
Additional Text	Please refer to the attachments.

## Event Dates

<b>Meeting Date and Time</b>	07/07/2015 14:30:00
<b>Response Deadline Date</b>	05/07/2015 14:30:00

## Event Venue(s)

<b>Place</b>	
<b>Venue(s)</b>	<b>Venue details</b>
Meeting Venue	Canning Room, Level 4, Raffles City Convention Centre, 252 North Bridge Road, Singapore 179103

<b>Attachments</b>	<a href="#">📎 Result of AGM.pdf</a> <a href="#">📎 CEO Briefing.pdf</a> Total size =82K
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<b>Related Announcements</b>	<a href="#">16/06/2015 17:16:40</a>
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**SMRT CORPORATION LTD**  
(Incorporated in the Republic of Singapore)  
Company Registration Number 200001855H

**1. RESOLUTIONS PASSED AT THE 16TH ANNUAL GENERAL MEETING**

Pursuant to Rule 704(16) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), SMRT Corporation Ltd (the “Company”) wishes to announce that, at the Annual General Meeting (“AGM”) of the Company held on 7 July 2015 at 2.30 p.m., the Ordinary Resolutions (“Resolutions”) relating to the following matters as set out in the Notice of AGM dated 17 June 2015 were put to the Meeting and all Resolutions were duly passed:-

No.	Ordinary Resolutions	For		Against		Votes Total
		Number of Votes	%	Number of Votes	%	
<b>Ordinary Business</b>						
1	Adoption of the Directors’ Report, Audited Financial Statements and Independent Auditor’s Report	918,973,691	99.96	395,101	0.04	919,368,792
2	Declaration of a Final (tax exempt one-tier) Dividend of 1.75 cents per share	918,825,541	99.97	252,351	0.03	919,077,892
3	Approval of Directors’ Fees	917,690,491	99.92	778,001	0.08	918,468,492
4	Re-election of Mr Desmond Kuek Bak Chye as Director	916,943,242	99.80	1,832,000	0.20	918,775,242
5	Re-election of Mr Bob Tan Beng Hai as Director	912,898,536	99.40	5,522,206	0.60	918,420,742
6	Re-election of Mr Tan Ek Kia as Director	913,090,822	99.42	5,323,920	0.58	918,414,742
7	Re-election of Mr Lee Seow Hiang as Director	913,345,142	99.47	4,824,100	0.53	918,169,242
8	Appointment of Messrs PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the Directors to fix their remuneration	915,600,935	99.69	2,809,307	0.31	918,410,242
<b>Special Business</b>						
9	General Authority to the Directors to allot and issue shares	905,655,521	99.04	8,813,521	0.96	914,469,042
10	Authority for the Directors to grant awards and allot/issue shares pursuant to vesting of awards	855,436,745	93.61	58,425,297	6.39	913,862,042
11	Renewal of the General Mandate for Interested Person Transactions	83,672,011	94.63	4,745,001	5.37	88,417,012
12	Renewal of the Share Purchase Mandate	914,334,541	99.99	102,001	0.01	914,436,542



2. Mr Bob Tan Beng Hai has been re-elected as a Director and will serve as Chairman of the Audit Committee, and a member of the Nominating Committee and Executive Committee, respectively. Mr Bob Tan Beng Hai is considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

*Submitted by Jacquelin Tay Gek Poh, Company Secretary, on 7/7/2015 to the SGX-ST*

# KEEPING SINGAPORE MOVING

## CEO ADDRESS AT SMRT CORPORATION AGM 2015

Ladies and Gentlemen,  
Good afternoon and welcome to our 16<sup>th</sup> Annual General Meeting.

### INTRODUCTION

- 1 We have gained considerable momentum in our efforts to improve **Operational Performance**, enhance **Customer Service**, strengthen **Workforce Health**, entrench **Organizational Excellence** and ensure **Sustainable Growth**. I would like to take the next few minutes to highlight some of the key achievements in the past year and outline the challenges and opportunities ahead.

### STRENGTHENING OUR RAIL PERFORMANCE

- 2 Our core focus continues to be in delivering a world-class public transport service that is safe, reliable and customer-centric. SMRT has become a household name and an international brand today. We are proud to celebrate SG50 and to have been an integral part of Singapore's nation-building journey.
- 3 We continue to make good progress with our multi-year efforts to strengthen rail performance in reliability, maintainability, availability, capacity, and safety:
  - a. **Reliability.** The train withdrawal rate for every 100,000 km, a key measure of rail reliability, has improved more than threefold from 3.3 in 2012 to 1.03 as of end-June 2015 on the ageing North-South East-West Lines (NSEWL). Overall, the incident rate for delays lasting longer than 5 min has improved from 1.19 to 0.73 in the past year. The Circle Line's withdrawal rate has also improved by 20% to 0.39, while the BPLRT has seen an improvement of 18% at 3.68 compared with last year.
  - b. **Maintainability.** We will continue to make improvements with sustained efforts in repairs and maintenance based on a comprehensive process-people-technology approach. Last year, we embarked on an ISO 55001 standard in asset management, and SMRT is only the second company in Asia to have attained this international certification. This is part of a robust, risk-based preventive and predictive maintenance regime that is being put in place to address rail system faults comprehensively and expeditiously.

- c. **Availability.** We have been working closely with the Land Transport Authority to improve capacity and availability. Last year, Singapore crossed the 1 billion passenger-journey mark, with 70% of these on our rail lines, and ridership is expected to continue growing steadily. More than half of the 45 new trains purchased for the NSEWL will be delivered by the middle of next year, and will help to ease peak period congestion. The Circle Line will have 20 more new trains and the Bukit Panjang LRT will have taken delivery of 13 new trains by the end of this year. At the same time, work is underway to install new Permanent Magnet Synchronous Motors (PMSM) and upgrade our older trains to improve their availability, reliability and energy efficiency.
- d. **Capacity.** The re-signaling project will soon be tested and commissioned on the NS Line, with full operations expected next year. This new Communication Based Train Control signal system will reduce the headway, or time between trains, to 100 seconds from the current 120 seconds. Together with new trains added, peak-hour capacity can potentially be improved by as much as 20%.
- e. **Safety.** We maintained a zero incident rate for rail service collision and derailment. The passenger injury rate was at an all-time low of 0.004 per million against the regulatory safety threshold of 0.4. To strengthen the safety and reliability of the network, we placed priority on the change-out of all the wooden sleepers with concrete ones. 96,000 have been replaced on the NS Line, and with the lifting of the speed restrictions imposed for safety reasons, travel journeys are now smoother and quicker. We are now shifting our effort to the 91,000 sleepers on the EW Line, and aim to complete the works by the end of next year.

4 Without commensurate increase in fare revenue to offset the rising operating costs brought about by higher headcount and depreciation because of network expansion, intensified repairs for an ageing fleet, and heightened regulatory and operating standards, our Trains business suffered an operating loss of \$2.4 million for the first time in the final quarter of FY 2015. Our concerns over the overall financial sustainability of the rail business have been registered with the authorities.

5 It is critical for SMRT to transit to a new rail financing framework that will facilitate the future expansion of the rail network in a financially sustainable manner. Under this new framework, the Government instead of SMRT will own all operating assets and the associated risks for major capital asset investments. These

assets will be leased to us over a shortened licence period, with a charge payable that will comprise fixed and variable components. The new framework is being constructed with an appropriate level of risk and reward sharing between the Government and SMRT. It is a complex exercise with many implementation details to be worked out. We are making progress in our ongoing discussions with the authorities, and will be able to share more when timely and appropriate.

## **POSITIONING THE BUS BUSINESS FOR A NEW CONTRACTING MODEL**

- 6 We are positioning ourselves for the introduction of a new bus contracting model by the Government. This means, unlike currently where the operator bears the fare revenue risk and the cost burden of bus ownership, that we will be contracted to operate and maintain bus sectors for a fee. We look forward to this new arrangement, and will begin discussions soon with the authorities on the contract terms for our remaining bus services beyond their expiry in Aug 2016.
- 7 We did not win the tender for the Bulim package despite our price competitiveness and strong service quality record, and will learn from the experience to improve our bid for subsequent tenders.
- 8 In the past year, our Bus business has improved operationally and financially. We met all the Quality of Service standards, and performed well in the Bus Service Reliability Framework to win incentives for meeting the defined service metrics. We are pleased that Buses has turned around with an operating profit in the last quarter of FY2015, after 17 consecutive quarters of losses.
- 9 Together with Trains, the Group's overall Fare business recorded a small operating profit of \$3.1 million, a significant improvement from an operating loss of \$25.0 million the previous year.

## **SUSTAINING FUTURE GROWTH**

- 10 SMRT's Group revenue grew 6.2% to \$1.24 billion, and operating profit increased by 43.5% to \$120.8 million. Our resultant Profit after Tax and Minority Interest (PATMI) came in at \$91.0 million, a 47% improvement from the previous year. This was mainly contributed by robust performance in the Non-Fare segments of the Group, such as Taxi, Rental, Advertising and Other Services.
- 11 Going forward, the Group's strategy for growth will be anchored on the strengths of our core public transport operations and adjacent capabilities. Based on these

competencies, we will seek new growth opportunities, locally and overseas, to (a) develop our rail engineering expertise; (b) expand our road and rail transport operational footprint; and (c) extend our commercial reach.

12 We are taking firm steps to grow these pillars.

a. **Developing our rail engineering core.** We incorporated Singapore Rail Engineering (SRE) last year to build on SMRT's operational expertise and meet a strategic and business need for Maintenance, Repair and Overhaul services in Singapore and abroad. SRE acts as the Engineering, Procurement and Construction contractor for SMRT's first and second generation train upgrades. In order to strengthen SRE's capabilities, we have entered into Joint Ventures with Toshiba Corporation and Faiveley Transport.

b. **Expanding our road and rail transport footprint locally and overseas.** Our Taxi business did well with increased revenues and profits, despite industry challenges posed by new regulatory standards, a tight labour market and disruptive third party applications. We derived cost efficiencies through better fleet management, and complemented our existing call centre operations with HailO third party usage. In other parts of our transport business, we forged technological partnerships with (Dutch company) 2gether for integrated and innovative driverless solutions, and NEC for smart transport information solutions. These will further enhance our O&M expertise as we explore new opportunities in Singapore and overseas where many cities are experiencing rapid urbanization. As for rail O&M opportunities, a number of overseas projects are currently under consideration.

c. **Extending our commercial reach.** SMRT's Commercial arm will continue to grow our network potential. We intend to build on our extensive experience in the marketing, leasing and management of advertising and commercial retail spaces to also expand beyond the network. The Kallang Wave mall at the Sports Hub was a step in this direction. Since its opening in July 2014, it has seen more than 10 million shoppers. We also entered a collaboration agreement with Walt Disney (Southeast Asia) for programmes to enhance the travel and lifestyle experience for our customers, and launched iMOB Shop, our e-commerce platform that integrates advertising, digital media and retail.

13 In implementing the Group's strategy for growth, we adopt a disciplined approach to evaluate new growth opportunities and value propositions to yield optimal investment returns. Shareholders may be wondering about the media attention over

OMGTEL following our obligatory announcement to SGX on their offer of a share grant to SMRT in support of their bid for a telco license. This would have made us a passive investor, and our decision not to take up the share offer is in line with our consideration to prioritise capital allocation in areas where we are able and willing to take an active and strategic interest.

## **CENTERING ON OUR PEOPLE AND SERVICE EXCELLENCE**

- 14 It is clear that the twin goals of ensuring high operational performance and sustaining growth at SMRT require a workforce that is engaged, competent and committed to service excellence. We believe that our vision of “moving people, enhancing lives” goes beyond efficiency, and extends to going the extra mile through superior customer service. Our common purpose in service excellence is to *“build trust and bring on smiles every day, and in everyone who journeys with us”*. This campaign has gained considerable traction since we started two years ago. In the past year, over 900 staff have been recognized nationally for their stellar customer service, including top awards. Many enhancements in commuter touchpoints have also been introduced to improve their comfort and convenience.
- 15 We have taken community engagement a step further with our “Adopt-a-Station” initiative, and gained broader support with Train and Bus enthusiasts. We continue to contribute to society through enabling mobility, education and the arts, and in supporting environmental sustainability. We supported “Wheels at Ubin” with our taxis to make even an off-shore destination like Pulau Ubin accessible to wheelchair users. More than 450 students have joined us on learning journeys in our bus and train network to understand what goes on behind the scenes in SMRT.
- 16 People are at the centre of all that we do. To develop each employee to realise their potential, we initiated SMRT Train Engineer Professionalisation (STEP), a progressive competency-based scheme for the professional development of train engineers. Over the last 3 years, we have increased the number of Rail Engineers by 61% and will continue to take in more engineers to meet the growing local network and new engineering business needs. The SMRT Trains Career Scheme was also launched last year in collaboration with National Transport Workers’ Union (NTWU), for our Technical and Operations non-executives, in line with the Labour Movement’s emphasis on skills upgrading, productivity and progressive wages.
- 17 Our efforts to professionalise the Bus Captain Career Scheme through progressive training, and as part of the government’s SkillsFuture initiative, has similarly



received positive feedback. We partnered with the Employment and Employability Institute (e2i) and NTWU to launch, last week, Singapore's first Bus Training and Evaluation Centre (BTEC) using simulation technology to enhance bus training.

- 18 We are very encouraged with the progress made in strengthening workforce health. Our voluntary attrition rate is at a low of 6.6%, and an independent survey by Towers Watson this year found that 9 in 10 of our staff say they are proud to be in SMRT, and 86% of our 8,500 employees are “sustainably engaged”, a measure of how engaged, energized and enabled we are. This is much higher than the national norm and considered best in class in the world. SMRT won numerous HR awards at the national level for our best practices. We are especially heartened by the recognition given by NTUC at this year's May Day Awards with the award of a Plaque of Commendation (Gold) for our efforts in turning around employee engagement and industrial relations in the company.
- 19 This same attitude of striving for excellence has led to SMRT being listed among the top four companies in Singapore in the ASEAN corporate governance scorecard. We were awarded the Best Public Sector Campaign by the Singapore Institute of Public Relations for our community engagement in the sleeper change-out programme. SMRT also received a global award for Delivering Value through Risk Management by the London-based Institute of Risk Management, a first for a Singapore company. These external endorsements are important signals that we are on the right track in bringing the Group to higher levels of excellence in every field.

## CONCLUSION

- 20 To conclude, we will continue in the coming year to drive progress along our 5 strategic thrusts.
- 21 At the core, SMRT is about *moving people and enhancing lives*, and our Public Transport operations and services continues to be the key focus. We will build on the momentum gained in **strengthening our public transport operational performance** in rail and buses, and benchmark ourselves with leading metros and bus operators internationally to achieve even higher performance levels. Next year, we have been nominated to chair CoMET, a grouping of leading metro operators in the world, and separately to preside over the International Bus Benchmarking Group (IBBG). Both these appointments reflect our high standing with the international community of transport professionals.

- 22 As part of our growth agenda, the Group will broaden its reach **in rail engineering, business adjacencies and related commercial areas**, locally and overseas. These functions will be clearly delineated, in their earnings streams as well as management supervision and accountability, from our existing public transport businesses.
- 23 These twin goals of strengthening Operational Performance and sustaining Business Growth are necessarily anchored on our organisational, people and service excellence efforts.
- 24 As we commemorate SG50, SMRT reaffirms its commitment to *keeping Singapore moving*, by being, as our mission states, “*the People’s Choice by delivering a World-Class transport service and lifestyle experience that is Safe, Reliable and Customer-centric.*”

Thank you for your continued support and being a part of our journey.