Opening Remarks by Mr Seah Moon Ming

Chairman, SMRT Corporation

Media Briefing, 5 August 2026

1. Good morning, friends from the media. I am very happy to see many familiar faces today. Thank you for joining us.

Putting our Revenue Back to Work

2. Let me begin with a milestone that all of us here at SMRT are proud of. Earlier this year, our MRT network recorded an average of about **two million Mean Kilometres Between Failure (MKBF) for the first time**. That is double the one million MKBF benchmark associated with some of the best-performing metros in the world. One million MKBF was also the target set for SMRT by former Transport Minister, Mr. Khaw Boon Wan, in 2017.

3. Many of you have followed SMRT's journey over the years. You have reported on what we got right and where we fell short, so you know that reliability at this level does not happen by chance. Reaching two million MKBF *is* significant; and **every additional kilometre between delays is hard-earned.** It is not the result of a single breakthrough or the effort of one exceptional individual. It

comes from discipline, teamwork, and a commitment to keep improving, every single day.

4. We're also pleased to report that the financial performance of SMRT Trains improved slightly in FY25/26. **Overall, Trains' revenue improved by 5.6%, and profit margin was 1.3%, up from 0.75% last FY.** Our total train maintenance cost is $245 million. And our total energy cost is $125 million.

5. As with reliability, this improvement cannot be attributed to any single factor. It's built on the back of continued government support, as well as operational factors such as timely energy procurement, higher ridership and fare revenue. **We take none of this for granted.**

6. Group CFO Yung Keat will share more about our financial performance later.

7. But numbers tell only part of the story. What matters is what we do with the gains we make. We are guided by our Kaizen culture of continuous improvement. And we will continue to exercise discipline and prudence in how we manage and mobilise our resources.

8. Our approach is simple: we reinvest our additional revenue and savings to benefit commuters. The revenue we earn, together with the savings we achieve through Kaizen, is put back into the business wherever possible. We invest in stronger engineering capabilities, better tools for our people, and technology that helps them work more efficiently and effectively. Every investment has one goal: to provide safer, more reliable and better journeys for our commuters. This is what we are most proud of—and what matters most.

9. Today, I would like to share three transformational projects that represent this commitment.

The Transformational Use Cases

10. You probably know about **Depot 4.0.** Last October, we completed a major upgrade of Bishan Depot, to double our overhaul capacity and make work safer and easier for our staff, especially our older workers. But that's not the whole story. We are going to bring Depot 4.0 to Mandai. We will take the lessons from Bishan Depot and make the refinements at Mandai Depot. This is already in the works.

11. The second is the **Prognostic Health Monitoring, or PHM train**, in short. We introduced this train to the media

in December last year. Since June this year, it has been deployed for passenger service.

12. Let me explain why the PHM train is significant. It is a fifth-generation C151B train that entered service in 2017. The fleet is due for a mid-life upgrade in 2032, but before that, we're using one train as a pathfinder. It has been fitted with 180 additional sensors. These sensors do more than monitor train condition—they also track the train's structural health for potential life extension. Together with LTA, we are working to take condition monitoring in our trains to the next level.

13. We have also developed **JARVIS**, our AI-powered maintenance platform. It analyses large volumes of operational data to detect unusual patterns before they become faults. Soon, we will be entering phase 2, to extend the use of it from rolling stocks and signalling systems to track and power systems.

A Pragmatic Approach to Using AI and Tech

14. Our Group CEO, Hoon Ping, will share more about these projects later. But what is worth noting is that all three projects have **progressed from ideas and pilots to actual deployment.** This reflects how we approach

innovation at SMRT. It's not about making the next headline or being on trend. As Singapore enters its next phase of AI-driven transformation, we see this as a natural extension of our Kaizen culture and people-first philosophy. **We invest in proven solutions that solve real problems, so that we can help our people do their jobs better and deliver better journeys for our commuters.**

Partnership with Guangzhou Metro

15. With this thinking, we embarked on another exciting development, which is the **SMRT-Guangzhou Metro Rail Innovation Lab** that you toured earlier. It is set up to help us fast-track the adoption of advanced rail technologies and engineering solutions.

16. The Innovation Lab is only one aspect of our partnership with Guangzhou Metro. We see them as a strong, strategic partner for the long term. **I am also pleased to share that we are partnering them for the Cross Island Line (CRL) bid. The teaming agreement was signed in June this year.**

17. Guangzhou Metro operates a rail network with 9 million commuters. That is three times the size of Singapore's MRT network. It is widely recognised for its engineering

capability and operational reliability. We believe their experience will complement SMRT's strengths and create long-term value for Singapore.

18. This partnership is good for the Cross Island Line or CRL. CRL will be Singapore's longest MRT line and it will be using a Fixed Overhead Conductor Rail (OCR) power system. Guangzhou Metro has extensive experience operating such systems. By combining our strengths, we are confident of delivering better journeys for our commuters.

<u>Bus 4.0</u>

19. Beyond Trains, there is innovation being deployed at other parts of SMRT as well. We have just been awarded the Serangoon-Eunos Bus Package contract. We are happy to note that one of the factors that helped us clinch the package was our use of tech and AI. Amongst other things, digital technologies help us strengthen bus and commuter safety, improve systems maintenance, and shorten time taken to resolve faults.

20. At the end of this month, we will launch Bus 4.0. It is like the journey we took with Depot 4.0, but **the difference is scale.** Depot 4.0 transformed a workshop. Bus 4.0 will

transform the entire bus operations and maintenance from end to end. We look forward to sharing more with you at the launch later this month.

The Human Touch in an AI World

21. I have spoken about technology and innovation. But they cannot exist in a vacuum. **We will always be most invested in our people.** Around the world, AI is often equated with job loss. **At SMRT, we see AI differently.** Our approach is not to replace people but to help them do their jobs better. When technology creates efficiencies, our first instinct is not to ask, "How many people can we let go of? It is, "How can we help our people grow?" AI in Chinese means 爱 – we care for people before technology.

22. As we expand our network, we continue to create meaningful jobs, such as for the opening of CCL6 and TEL5.

23. We also believe our people should share in the value they help create. This year, all our employees received a Kaizen bonus of $1,600 for their contributions to Kaizen. In FY25/26, our people generated close to $165 million in Kaizen savings. This is the second consecutive year that

savings have exceeded $160 million. It is a remarkable achievement.

Beyond Rail Licences

24. Looking ahead, there is another important milestone on the horizon. It is timely for us to begin discussions with the relevant authorities on the renewal of our rail licences, as these discussions typically take more than 3 years to complete. Our Thomson-East Coast Line license expires in 2029, while the licences for the North-South Line, East-West Line, Circle Line and Bukit Panjang LRT expire in 2031.

25. These renewals are part of the normal regulatory framework. It is our responsibility as an operator to work closely with MOT and LTA on this process, with the common objective of providing greater clarity for our people and supporting long-term planning.

26. These licence discussions are an important milestone for SMRT. But our biggest focus is on delivering safe, reliable and high-quality transport services for our commuters. We will continue to invest in technology, innovation and our people to strengthen operational excellence and build a future-ready workforce.

27. This commitment is reflected in the investments we continue to make today. Depot 4.0 is one example. We invested about more than $7 million. Projects of this scale require significant upfront investment and deliver benefits over the longer term. We proceed where there is a clear case for improving commuter outcomes and supporting our people. Through continued Kaizen efforts and prudent financial management, we can reinvest in these capabilities and strengthen the system for the future.

28. But longer licence periods have clear merits. They provide greater certainty for long-term investments, strengthen workforce stability, reduce transition costs and allow operators to focus on improving service for commuters**. A rail system is built over decades, from the infrastructure, engineering capabilities to the skills of the people. Long-term outcomes are best supported by long-term planning.**

Growth of Engine B

29. Finally, let me touch on Engine B, our growth engine beyond fare revenue. This journey started only two years ago. **I am proud to share that we did not build Engine B through acquisitions. Instead, we built it organically**

on the strong foundation of Engine A. The engineering and operational capabilities we developed while operating and maintaining Singapore's rail network are now opening new doors. Today, we are being recognised and tapped on for these capabilities. That is the story of Engine B. I will leave our Group CEO, Hoon Ping, to share more. By the way, last FY, the Profit After Tax (PAT) is $0.5 million and this FY PAT is $15 million.

RTS Link

30. Let me close with a few words on the RTS Link. This is a project of immense national significance. The system is undergoing extensive testing, and our top priority will always be on safety. We will commence operations when we are fully confident that it is safe and ready for service. RTSO—the company responsible for operating and maintaining the RTS Link—will continue to update the Singapore and Malaysian grantors on testing progress, and the Grantors will announce the opening date in due course. Subsequently, RTSO will announce the starting fares after consulting with all key stakeholders.

31. With that, let me hand over to our Group CEO, Hoon Ping, to share more.

32. Thank you.