



**SBS TRANSIT LTD**  
(Company Reg. No. 199206653M)

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**PROPOSED TRANSFER OF BUSES UNDER THE BUS SERVICE ENHANCEMENT PROGRAMME ('BSEP') TO THE LAND TRANSPORT AUTHORITY ('PROPOSED TRANSFER') AND WAIVER FROM COMPLIANCE WITH RULE 1014(2) OF THE LISTING MANUAL IN RESPECT OF THE PROPOSED TRANSFER**

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1. SBS Transit Ltd (the 'Company') is an Operator under the Bus Service Enhancement Programme ('BSEP') launched by the Singapore Government in Year 2012. Pursuant to the BSEP, the Land Transport Authority ('LTA') entered into an arrangement with the Company under the BSEP Financing and Supplemental Agreements (collectively the 'BSEP Agreements') for the purchase of new buses under the Singapore Government's initiative (such buses hereinafter referred to as 'BSEP Buses').
2. Under the BSEP Agreements signed, the BSEP Buses are purchased through a loan facility provided by the LTA which is in turn secured against the BSEP Buses. The LTA provides a monthly financing subsidy to fund the loan repayments. The LTA has the rights under the terms of the BSEP Agreements, at its sole discretion, to transfer the legal titles of these BSEP Buses to itself at a purchase consideration equal to the outstanding loan granted in respect of the BSEP Buses.
3. The Company wishes to announce that, on 31 July 2015, the LTA has given written notice of its intention to exercise its rights under the BSEP Agreements to transfer the BSEP Buses to itself ('Proposed Transfer'). As at 31 July 2015, the Company has 427 BSEP Buses comprising 278 Single Deck buses and 149 Double Deck buses. The outstanding loan granted by LTA in respect of these buses is approximately \$164 Million. The Proposed Transfer is expected to be completed on 31 December 2015 ('Effective Date'). The Proposed Transfer will include all BSEP Buses held by the Company as at the Effective Date and the purchase consideration will be based on the outstanding loan granted in respect of the BSEP Buses as of the same date.
4. After the Effective Date, the Company will no longer hold the legal titles to the BSEP Buses and there will be no loan outstanding to LTA in respect of these buses. In addition, after the Effective date, any new BSEP Bus designated by LTA to be operated and maintained by the Company will be purchased by LTA.
5. The Company has applied to the SGX-ST for a waiver (the 'Waiver') of the requirement under Rule 1014(2) of the Listing Manual to seek Shareholders' approval for the Proposed Transfer. In its letter dated 11 June 2015, SGX-ST has granted the Waiver subject to the following conditions:-
  - a) the Company announcing the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Listing Rule 107;

- b) the submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
  - c) confirmation that none of the Company's directors and/or controlling shareholders have any interest in the Proposed Transfer.
6. The Company's application for the Waiver is made on the reasons that the substance of the arrangement under the BSEP Agreements reflects LTA as the economic and beneficial owner of the BSEP buses and the Proposed Transfer is an exercise of LTA's rights under the BSEP Agreements for which the Company has no discretion. In addition, the Proposed Transfer will not impact the Company financially and does not change the economic and commercial arrangement under the BSEP. After the Proposed Transfer, the Company will continue to operate and maintain the BSEP Buses as designated by LTA.
  7. The Proposed Transfer does not have any impact on the net tangible assets per share and the earnings per share of the Company for the financial year ending 31 December 2015.
  8. None of the Directors of the Company has an interest, direct or indirect, in the Proposed Transfer. No controlling shareholder of the Company has an interest, direct or indirect, in the Proposed Transfer.

**By order of the Board**

Chan Wan Tak, Wendy  
Company Secretary

31 July 2015