



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

**Second Quarter 2019 Financial Statements and Dividend Announcement**

The Board of Directors announces the unaudited results for the Second Quarter and Half-Year ended 30 June 2019.

**1 GROUP INCOME STATEMENT**

	Group					
	2nd Qtr 2019	2nd Qtr 2018	Incr/ (Decr)	1st Half 2019	1st Half 2018	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	358,530	344,915	3.9	709,292	673,097	5.4
Staff costs	174,665	172,578	1.2	355,481	344,568	3.2
Repairs and maintenance costs	47,383	43,762	8.3	89,676	85,888	4.4
Fuel and electricity costs	47,247	45,288	4.3	89,106	82,376	8.2
Premises costs *	11,735	15,774	(25.6)	24,042	30,510	(21.2)
Depreciation expense *	25,865	23,127	11.8	51,483	47,267	8.9
Other operating costs	21,078	20,612	2.3	42,668	38,140	11.9
<b>Total operating costs</b>	<u>327,973</u>	<u>321,141</u>	2.1	<u>652,456</u>	<u>628,749</u>	3.8
<b>Operating profit</b>	30,557	23,774	28.5	56,836	44,348	28.2
Net income from investments	16	61	(73.8)	102	120	(15.0)
Finance costs *	(1,186)	(1,020)	16.3	(2,172)	(1,955)	11.1
<b>Profit before taxation</b>	<u>29,387</u>	<u>22,815</u>	28.8	<u>54,766</u>	<u>42,513</u>	28.8
Taxation	(5,201)	(3,384)	53.7	(9,915)	(6,323)	56.8
<b>Profit attributable to shareholders</b>	<u><u>24,186</u></u>	<u><u>19,431</u></u>	24.5	<u><u>44,851</u></u>	<u><u>36,190</u></u>	23.9

\* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019.

## 2 STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b>ASSETS</b>				
<b>Current assets</b>				
Short-term deposits and bank balances	7,593	32,711	5,782	31,785
Trade receivables	144,770	123,509	140,962	120,225
Other receivables and prepayments	70,890	56,466	299,997	259,551
Inventories	128,392	117,142	106,086	99,102
Total current assets	<u>351,645</u>	<u>329,828</u>	<u>552,827</u>	<u>510,663</u>
<b>Non-current assets</b>				
Subsidiary	-	-	5,000	5,000
Prepayments	3,591	6,021	3,326	5,889
Vehicles, premises and equipment	671,350	705,304	652,371	685,463
Right-of-use assets *	72,665	-	72,665	-
Deferred tax assets	23,868	21,680	-	-
Total non-current assets	<u>771,474</u>	<u>733,005</u>	<u>733,362</u>	<u>696,352</u>
<b>Total assets</b>	<u>1,123,119</u>	<u>1,062,833</u>	<u>1,286,189</u>	<u>1,207,015</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	26,000	-	26,000	-
Lease liabilities *	10,408	-	10,408	-
Trade and other payables	228,259	293,771	195,357	253,450
Deposits received	3,706	2,588	2,900	2,259
Insurance premiums payable and provision for accident claims	19,974	19,533	19,974	19,533
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	31,365	31,394	31,365	31,394
Total current liabilities	<u>339,704</u>	<u>367,278</u>	<u>305,996</u>	<u>326,628</u>
<b>Non-current liabilities</b>				
Borrowings	75,000	75,000	75,000	75,000
Lease liabilities *	73,892	-	73,892	-
Deferred grants	6,051	6,326	6,051	6,326
Deposits received	5,553	7,157	4,962	5,865
Deferred tax liabilities	79,278	77,676	79,278	77,676
Provision for service benefits and long service awards	11,016	11,004	10,679	10,706
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	<u>270,782</u>	<u>197,155</u>	<u>269,854</u>	<u>195,565</u>
<b>Total liabilities</b>	<u>610,486</u>	<u>564,433</u>	<u>575,850</u>	<u>522,193</u>
<b>Capital and reserves</b>				
Share capital	100,499	100,162	100,499	100,162
Other reserves	40,577	38,628	40,423	39,450
Accumulated profits *	371,557	359,610	569,417	545,210
Total equity	<u>512,633</u>	<u>498,400</u>	<u>710,339</u>	<u>684,822</u>
<b>Total liabilities and equity</b>	<u>1,123,119</u>	<u>1,062,833</u>	<u>1,286,189</u>	<u>1,207,015</u>

\* The Group has adopted SFRS(I) 16 Leases on 1 January 2019. Please refer to paragraph 11 for further details.

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND LEASE LIABILITIES

	30 Jun 2019 \$'000	31 Dec 2018 \$'000
<b><u>Borrowings</u></b>		
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	26,000	-
Amount repayable after one year	75,000	75,000
	<u>101,000</u>	<u>75,000</u>
<b><u>Lease Liabilities</u></b>		
<b>Secured</b>		
Amount repayable in one year or less, or on demand	10,408	-
Amount repayable after one year	73,892	-
	<u>84,300</u>	<u>-</u>

#### **Details of any collateral**

The total secured lease liabilities relates to the adoption of SFRS(I) 16 Leases.

#### 4 GROUP CASH FLOW STATEMENT

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Operating activities</b>				
Profit before taxation	29,387	22,815	54,766	42,513
Adjustments for:				
Depreciation expense *	25,865	23,127	51,483	47,267
Finance costs *	1,186	1,020	2,172	1,955
Net gain on disposal of vehicles and equipment	(34)	(24)	(85)	(63)
Interest income	(16)	(61)	(102)	(120)
Provision for service benefits and long service awards	288	200	554	403
Insurance premiums payable and provision for accident claims	1,988	446	3,928	1,512
Operating cash flows before movements in working capital	58,664	47,523	112,716	93,467
Changes in working capital	(26,227)	9,378	(114,679)	(74,137)
Cash generated from (used in) operations	32,437	56,901	(1,963)	19,330
Income tax paid	(6,558)	(17)	(10,936)	(17)
Interest paid arising from leases *	(581)	-	(1,194)	-
Net cash from (used in) operating activities	25,298	56,884	(14,093)	19,313
<b>Investing activities</b>				
Interest received	17	121	115	121
Proceeds from disposal of vehicles and equipment	34	470	100	27,766
Purchase of vehicles, premises and equipment	(5,219)	(4,228)	(9,537)	(8,427)
Net cash (used in) from investing activities	(5,168)	(3,637)	(9,322)	19,460
<b>Financing activities</b>				
New loans raised	143,000	138,300	203,500	340,300
Repayment of borrowings	(136,500)	(178,800)	(177,500)	(364,800)
Payments under lease liabilities *	(2,494)	-	(4,928)	-
Proceeds from share issue	71	1,020	309	1,228
Interest paid	(583)	(936)	(950)	(1,947)
Dividends paid	(22,139)	(12,298)	(22,139)	(12,298)
Others	5	-	5	11
Net cash used in financing activities	(18,640)	(52,714)	(1,703)	(37,506)
Net increase (decrease) in cash and cash equivalents	1,490	533	(25,118)	1,267
Cash and cash equivalents at beginning of period	6,103	6,009	32,711	5,275
<b>Cash and cash equivalents at end of period</b>	<b>7,593</b>	<b>6,542</b>	<b>7,593</b>	<b>6,542</b>

\* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019.

#### 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
<b>Profit attributable to shareholders</b>	24,186	19,431	44,851	36,190
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value adjustment on cash flow hedges	(851)	-	1,982	-
Fair value adjustment on investments	-	(32)	-	(88)
<b>Total comprehensive income attributable to shareholders</b>	<b>23,335</b>	<b>19,399</b>	<b>46,833</b>	<b>36,102</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half-Year ended 30 June 2019:

	Group			
	Attributable to shareholders of the Company			
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
<b>Balance at 1 January 2019</b>	100,162	38,628	359,610	498,400
Adoption of SFRS(I) 16 *	-	-	(10,775)	(10,775)
<b>Balance at 1 January 2019 (as restated)</b>	100,162	38,628	348,835	487,625
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	20,665	20,665
Other comprehensive income for the period	-	2,833	-	2,833
<b>Total</b>	-	2,833	20,665	23,498
<b>Transactions recognised directly in equity</b>				
Exercise of share options	259	(21)	-	238
<b>Total</b>	259	(21)	-	238
<b>Balance at 31 March 2019</b>	100,421	41,440	369,500	511,361
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	24,186	24,186
Other comprehensive expense for the period	-	(851)	-	(851)
<b>Total</b>	-	(851)	24,186	23,335
<b>Transactions recognised directly in equity</b>				
Exercise of share options	78	(7)	-	71
Payment of dividends	-	-	(22,139)	(22,139)
Other reserves	-	(5)	10	5
<b>Total</b>	78	(12)	(22,129)	(22,063)
<b>Balance at 30 June 2019</b>	100,499	40,577	371,557	512,633

\* The Group has adopted SFRS(I) 16 *Leases* on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 11 for further details.

Consolidated Statement of Changes in Equity for the Second Quarter and Half-Year ended 30 June 2018:

	<b>Group</b>			
	<b>Attributable to shareholders of the Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2018</b>	98,873	40,522	309,831	449,226
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	16,759	16,759
Other comprehensive expense for the period	-	(56)	-	(56)
<b>Total</b>	-	(56)	16,759	16,703
<b>Transactions recognised directly in equity</b>				
Exercise of share options	217	(9)	-	208
Other reserves	-	-	11	11
<b>Total</b>	217	(9)	11	219
<b>Balance at 31 March 2018</b>	99,090	40,457	326,601	466,148
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	19,431	19,431
Other comprehensive expense for the period	-	(32)	-	(32)
<b>Total</b>	-	(32)	19,431	19,399
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,073	(53)	-	1,020
Payment of dividends	-	-	(12,298)	(12,298)
Other reserves	-	(7)	7	-
<b>Total</b>	1,073	(60)	(12,291)	(11,278)
<b>Balance at 30 June 2018</b>	100,163	40,365	333,741	474,269

Statement of Changes in Equity of the Company for the Second Quarter and Half-Year ended 30 June 2019:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2019</b>	100,162	39,450	545,210	684,822
Adoption of SFRS(I) 16 *	-	-	(10,775)	(10,775)
<b>Balance at 1 January 2019 (as restated)</b>	<b>100,162</b>	<b>39,450</b>	<b>534,435</b>	<b>674,047</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	27,145	27,145
Other comprehensive income for the period	-	1,438	-	1,438
<b>Total</b>	<b>-</b>	<b>1,438</b>	<b>27,145</b>	<b>28,583</b>
<b>Transactions recognised directly in equity</b>				
Exercise of share options	259	(21)	-	238
<b>Total</b>	<b>259</b>	<b>(21)</b>	<b>-</b>	<b>238</b>
<b>Balance at 31 March 2019</b>	<b>100,421</b>	<b>40,867</b>	<b>561,580</b>	<b>702,868</b>
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	29,966	29,966
Other comprehensive expense for the period	-	(432)	-	(432)
<b>Total</b>	<b>-</b>	<b>(432)</b>	<b>29,966</b>	<b>29,534</b>
<b>Transactions recognised directly in equity</b>				
Exercise of share options	78	(7)	-	71
Payment of dividends	-	-	(22,139)	(22,139)
Other reserves	-	(5)	10	5
<b>Total</b>	<b>78</b>	<b>(12)</b>	<b>(22,129)</b>	<b>(22,063)</b>
<b>Balance at 30 June 2019</b>	<b>100,499</b>	<b>40,423</b>	<b>569,417</b>	<b>710,339</b>

\* The Company has adopted SFRS(I) 16 *Leases* on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 11 for further details.

Statement of Changes in Equity of the Company for the Second Quarter and Half-Year ended 30 June 2018:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 January 2018</b>	98,873	40,522	457,911	597,306
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	25,815	25,815
Other comprehensive expense for the period	-	(56)	-	(56)
<b>Total</b>	-	(56)	25,815	25,759
<b>Transactions recognised directly in equity</b>				
Exercise of share options	217	(9)	-	208
Other reserves	-	-	11	11
<b>Total</b>	217	(9)	11	219
<b>Balance at 31 March 2018</b>	99,090	40,457	483,737	623,284
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	28,814	28,814
Other comprehensive expense for the period	-	(32)	-	(32)
<b>Total</b>	-	(32)	28,814	28,782
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,073	(53)	-	1,020
Payment of dividends	-	-	(12,298)	(12,298)
Other reserves	-	(7)	7	-
<b>Total</b>	1,073	(60)	(12,291)	(11,278)
<b>Balance at 30 June 2018</b>	100,163	40,365	500,260	640,788



## **7 CHANGES IN COMPANY'S SHARE CAPITAL**

### Share Capital

Since 31 March 2019, 45,000 new ordinary shares were issued by the Company upon the exercise of options granted under the SBS Transit Share Option Scheme.

As at 30 June 2019, the total number of issued shares was 311,864,766 (31 December 2018: 311,669,766).

### Outstanding Shares – SBS Transit Share Option Scheme

The SBS Transit Share Option Scheme was not renewed following its expiry on 8 June 2010.

As at 30 June 2019, there were no unexercised options (30 June 2018: 382,500) under the SBS Transit Share Option Scheme.

As at 30 June 2019, the Company does not hold any treasury shares.

## **8 AUDIT**

The financial statements have not been audited or reviewed.

## **9 AUDITORS' REPORT**

Not applicable.

## **10 ACCOUNTING POLICIES**

Except as disclosed in paragraph 11 below, the accounting policies and methods of computation in the financial statements for the current reporting period are consistent with those of the audited financial statements for the year ended 31 December 2018.

## **11 CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION**

SFRS(I) 16 Leases is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 has resulted in most of the leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, it requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments resulting mainly in higher depreciation, lower lease payments (premises costs) and higher finance costs. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The ROU assets as at 30 June 2019 were largely related to leases of the office premises, bus depots and workshops occupied by the Group in the various locations. Accordingly, there was a corresponding increase in liabilities as at 30 June 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the Statement of Financial Position of the Group and Company as at 1 January 2019. The differences from the Statement of Financial Position as previously reported at 31 December 2018 are as follows.

**The Group and The Company**

**1 January 2019**

**\$'000**

Increase in other receivables	201
Increase in right-of-use assets	78,038
Increase in lease liabilities	<u>(89,014)</u>
	<u>(10,775)</u>
Decrease in accumulated profits	<u>(10,775)</u>
Decrease in total equity	<u>(10,775)</u>

**12 GROUP EARNINGS PER ORDINARY SHARE AND EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)**

Earnings per ordinary share

	<b>Group</b>			
	<b>2nd Qtr 2019</b>	<b>2nd Qtr 2018</b>	<b>1st Half 2019</b>	<b>1st Half 2018</b>
Earnings per ordinary share for the period based on profit attributable to shareholders:-				
(i) Based on the weighted average number of ordinary shares in issue (cents)	7.76	6.24	14.39	11.63
(ii) On a fully diluted basis (cents)	7.76	6.24	14.39	11.62

EBITDA

	<b>Group</b>			
	<b>2nd Qtr 2019</b>	<b>2nd Qtr 2018</b>	<b>1st Half 2019</b>	<b>1st Half 2018</b>
(i) EBITDA (\$'000)	56,422	46,901	108,319	91,615
(ii) EBITDA margin (%)	15.7	13.6	15.3	13.6

**13 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>	<b>30 Jun 2019</b>	<b>31 Dec 2018</b>
Net asset value per ordinary share based on issued share capital at the end of the period/year (dollars)	1.64	1.60	2.28	2.20

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$358.5m for 2Q19 increased by 3.9% or \$13.6m from \$344.9m for 2Q18 while Group operating costs of \$328.0m increased by 2.1% or \$6.8m from \$321.1m for 2Q18.

Group operating profit of \$30.6m for 2Q19 was 28.5% or \$6.8m higher than that of \$23.8m for 2Q18.

Net income from investments of \$16k for 2Q19 was 73.8% or \$45k lower than that of \$61k for 2Q18.

Finance costs of \$1.2m for 2Q19 were 16.3% or \$0.2m higher than that of \$1.0m for 2Q18. The increase was due to the adoption of SFRS(I) 16 amounting to \$0.6m, partially offset by lower finance costs of \$0.4m from lower borrowings.

Consequently, Group profit before taxation of \$29.4m for 2Q19 was 28.8% or \$6.6m higher than that of \$22.8m for 2Q18.

Taxation of \$5.2m for 2Q19 was 53.7% or \$1.8m higher than that of \$3.4m for 2Q18 due mainly to higher profits for 2Q19 and the write-back of overprovision for prior years' tax in 2Q18.

Group profit attributable to shareholders of the Company of \$24.2m for 2Q19 was 24.5% or \$4.8m higher than that of \$19.4m for 2Q18.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Public Transport Services of \$342.9m for 2Q19 was higher by 3.9% or \$12.8m compared to \$330.1m for 2Q18 due mainly to higher average fare arising from the fare increase effective 29 December 2018 and higher ridership from rail services and higher fees earned with higher operated mileage from bus services. For 2Q19, average fare for Downtown Line (DTL) was higher than 2Q18 by 7.7% or 5.2 cents. Average daily ridership for the DTL grew by 6.9% to 467k passenger trips. Average fare for North-East Line (NEL) was higher than 2Q18 by 2.6% or 1.8 cents and that for Light Rail Transit (LRT) by 6.3% or 2.7 cents to that of 2Q18. Average daily ridership for NEL grew by 1.5% to 588k passenger trips and that for the LRT by 8.0% to 139k passenger trips as compared to that of 2Q18. Operating profit for 2Q19 at \$19.7m increased by \$5.8m compared to \$13.9m for 2Q18 due mainly to higher revenue and lower premises costs, offset by higher repairs and maintenance costs, higher depreciation, higher fuel and electricity costs and higher staff costs.

Revenue from Other Commercial Services of \$15.6m for 2Q19 was higher by 5.4% or \$0.8m compared to \$14.8m for 2Q18 due mainly to higher advertising revenue. Consequently, operating profit for 2Q19 at \$10.9m increased by 9.8% or \$1.0m compared to \$9.9m for 2Q18.

## **Statement of Financial Position**

As at 30 June 2019, total equity for the Group increased by 2.9% or \$14.2m to \$512.6m as compared to 31 December 2018 due mainly to profits generated from operations and an increase in other reserves, partially offset by dividends paid and prior years' adjustment arising from the adoption of SFRS(I) 16.

Group total assets increased by 5.7% or \$60.3m to \$1,123.1m due to an increase in non-current and current assets of \$38.5m and \$21.8m respectively. The increase in non-current assets was due mainly to the recognition of ROU assets with the adoption of SFRS(I) 16, partially offset by depreciation of vehicles, premises and equipment for the period. The increase in current assets was due mainly to the increase in trade and other receivables and inventories, partially offset by the decrease in short-term deposits and bank balances.

Group total liabilities increased by 8.2% or \$46.1m to \$610.5m due to an increase in non-current liabilities of \$73.6m, partially offset by the decrease in current liabilities of \$27.6m. The increase in non-current liabilities was due mainly to the recognition of lease liabilities with the adoption of SFRS(I) 16. The decrease in current liabilities was due mainly to a decrease in trade and other payables, partially offset by an increase in borrowings and the recognition of lease liabilities with the adoption of SFRS(I) 16.

## **Cash Flow**

The net cash inflow of \$1.5m for 2Q19 was mainly from the new loans raised and net cash from operating activities, partially offset by the repayment of borrowings, dividends paid, the purchase of vehicles, premises and equipment and the repayment of lease liabilities.

As at 30 June 2019, the Group had cash and bank balances of \$7.6m. After accounting for the borrowings of \$101.0m, the Group had a net debt position of \$93.4m and a net gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) of 18.2% which was higher than that of 8.5% as at 31 December 2018. The Group's gross gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 19.7% as at 30 June 2019 compared to 15.0% as at 31 December 2018.

## **15 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS**

No forecast or prospect statement has been previously disclosed.

## 16 GROUP OUTLOOK

Revenue from Public Transport Services is expected to be higher. However, we will continue to experience significant cost pressures from operating and maintenance costs.

Bus service revenue is expected to be higher with the full year contribution from the Seletar and Bukit Merah Bus Packages which commenced operations from March 2018 and November 2018 respectively.

Rail service revenue is expected to be higher with higher ridership as well as the 4.3% fare adjustment from 29 December 2018.

Revenue from Other Commercial Services is expected to be maintained.

The Group expects overall operating costs, to increase significantly with increased repairs and maintenance costs associated with an ageing bus and rail fleet, coupled with the full year cost impact of the Seletar and Bukit Merah Bus Packages. Staff costs are also expected to be higher with the increased workforce and annual salary adjustments.

Rail operations will continue to face challenges from increasing operating and maintenance costs which are essential for rail reliability. Growth in rail operating and maintenance costs has outstripped revenue growth over the years. In particular, the NEL and the Sengkang/Punggol LRT (SPLRT) are into their mid-life cycles during which higher maintenance is required while the DTL has come out of its defect liability period for most of its maintenance. In addition, increased investments in predictive maintenance capabilities are being made to keep up with reliability standards in a sustainable manner.

In 2018, about 60% collected rail fare revenue was spent on repairs and maintenance for our older NEL and SPLRT lines, an increase from about 50% in 2016. Similarly, our DTL also incurred about 62% of its fare revenue on maintenance related expenses in 2018 when we have a full year of revenue service for the entire DTL.

Total rail revenue is not sufficient to cover operating and maintenance costs of the rail lines, despite the 4.3% fare adjustment from 29 December 2018.

## 17 DIVIDEND

### (a) Current Financial Period Reported on

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 7.15 cents (2018: 5.80 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	7.15 cents
Tax Rate	Exempt one-tier

### (b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	5.80 cents
Tax Rate	Exempt one-tier

**(c) Date Payable**

The interim dividend will be paid on 27 August 2019.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 21 August 2019 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO building, Singapore 048544, up to 5.00 p.m. on 20 August 2019 will be registered to determine Shareholders' entitlements to the interim dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 20 August 2019 will be entitled to the interim dividend.

## 18 GROUP SEGMENTAL INFORMATION

By Business Activity

	<b>Public Transport Services</b>	<b>Other Commercial Services</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>2nd Quarter 2019</u></b>			
Revenue	342,905	15,625	358,530
<b><u>Results</u></b>			
Segment results	19,697	10,860	30,557
Net income from investments			16
Finance costs			(1,186)
Profit before taxation			<u>29,387</u>
Taxation			(5,201)
Profit after taxation			<u><u>24,186</u></u>
<b><u>2nd Quarter 2018</u></b>			
Revenue	330,084	14,831	344,915
<b><u>Results</u></b>			
Segment results	13,895	9,879	23,774
Net income from investments			61
Finance costs			(1,020)
Profit before taxation			<u>22,815</u>
Taxation			(3,384)
Profit after taxation			<u><u>19,431</u></u>
<b><u>First Half 2019</u></b>			
Revenue	677,340	31,952	709,292
<b><u>Results</u></b>			
Segment results	34,689	22,147	56,836
Net income from investments			102
Finance costs			(2,172)
Profit before taxation			<u>54,766</u>
Taxation			(9,915)
Profit after taxation			<u><u>44,851</u></u>
<b><u>First Half 2018</u></b>			
Revenue	643,369	29,728	673,097
<b><u>Results</u></b>			
Segment results	24,310	20,038	44,348
Net income from investments			120
Finance costs			(1,955)
Profit before taxation			<u>42,513</u>
Taxation			(6,323)
Profit after taxation			<u><u>36,190</u></u>



**19 BREAKDOWN OF REVENUE**

Not applicable.

**20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)**

Not applicable.

**21 INTERESTED PERSON TRANSACTIONS**

The Company does not have any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

**22 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

**23 NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS UNDER SGX LISTING RULE 705(5) OF THE LISTING MANUAL**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the Second Quarter 2019 financial results to be false or misleading in any material aspect.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh  
Chairman

Yang Ban Seng  
Executive Deputy Chairman/Chief Executive Officer

**BY ORDER OF THE BOARD**

Chan Wan Tak, Wendy / Yeo Tee Yeok, Edwin  
Joint Company Secretaries

8 August 2019