



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

**Third Quarter 2015 Financial Statements**

The Board of Directors announces the unaudited results for the Third Quarter and 9 Months ended 30 September 2015.

**1 GROUP INCOME STATEMENT**

|  | Group               |                     |                 |                      |                      |                 |
|--|---------------------|---------------------|-----------------|----------------------|----------------------|-----------------|
|  | 3rd Qtr<br>2015     | 3rd Qtr<br>2014     | Incr/<br>(Decr) | 9 Months<br>2015     | 9 Months<br>2014     | Incr/<br>(Decr) |
|  | \$'000              | \$'000              | %               | \$'000               | \$'000               | %               |
| <b>Revenue</b>                             | 262,014             | 248,584             | 5.4             | 764,074              | 706,535              | 8.1             |
| Staff costs                                | 125,210             | 116,770             | 7.2             | 367,617              | 327,681              | 12.2            |
| Repairs and maintenance costs              | 30,313              | 28,217              | 7.4             | 83,951               | 80,652               | 4.1             |
| Fuel and electricity costs                 | 44,265              | 47,536              | (6.9)           | 130,471              | 140,115              | (6.9)           |
| Premises costs                             | 10,950              | 9,982               | 9.7             | 33,506               | 29,227               | 14.6            |
| Depreciation expense                       | 21,536              | 18,053              | 19.3            | 63,208               | 52,151               | 21.2            |
| Other operating costs                      | 21,935              | 20,212              | 8.5             | 61,990               | 57,250               | 8.3             |
| <b>Total operating costs</b>               | <u>254,209</u>      | <u>240,770</u>      | 5.6             | <u>740,743</u>       | <u>687,076</u>       | 7.8             |
| <b>Operating profit</b>                    | 7,805               | 7,814               | (0.1)           | 23,331               | 19,459               | 19.9            |
| Net income from investments                | 61                  | 62                  | (1.6)           | 181                  | 232                  | (22.0)          |
| Finance costs                              | (1,597)             | (1,220)             | 30.9            | (4,266)              | (3,538)              | 20.6            |
| <b>Profit before taxation</b>              | <u>6,269</u>        | <u>6,656</u>        | (5.8)           | <u>19,246</u>        | <u>16,153</u>        | 19.1            |
| Taxation                                   | (810)               | (909)               | (10.9)          | (2,926)              | (2,145)              | 36.4            |
| <b>Profit attributable to shareholders</b> | <u><u>5,459</u></u> | <u><u>5,747</u></u> | (5.0)           | <u><u>16,320</u></u> | <u><u>14,008</u></u> | 16.5            |

## 2 STATEMENTS OF FINANCIAL POSITION

|   | <u>Group</u>            |                         | <u>Company</u>          |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <u>30 Sep</u>           | <u>31 Dec</u>           | <u>30 Sep</u>           | <u>31 Dec</u>           |
|   | <u>2015</u>             | <u>2014</u>             | <u>2015</u>             | <u>2014</u>             |
|   | <u>\$'000</u>           | <u>\$'000</u>           | <u>\$'000</u>           | <u>\$'000</u>           |
| <b><u>ASSETS</u></b>  |                         |                         |                         |                         |
| <b>Current assets</b>   |                         |                         |                         |                         |
| Cash and bank balances  | 4,723                   | 4,987                   | 3,973                   | 4,542                   |
| Trade receivables   | 10,596                  | 9,120                   | 10,214                  | 8,803                   |
| Other receivables and prepayments                               | 46,239                  | 34,261                  | 116,001                 | 83,269                  |
| Inventories   | 46,232                  | 43,727                  | 43,392                  | 41,661                  |
| <b>Total current assets</b>                                     | <b><u>107,790</u></b>   | <b><u>92,095</u></b>    | <b><u>173,580</u></b>   | <b><u>138,275</u></b>   |
| <b>Non-current assets</b>                                       |                         |                         |                         |                         |
| Subsidiary  | -                       | -                       | 5,000                   | 5,000                   |
| Available-for-sale investments                                  | 5,374                   | 5,487                   | 5,374                   | 5,487                   |
| Prepayments   | 26,854                  | 40,483                  | 26,660                  | 40,483                  |
| Vehicles, premises and equipment                                | 1,103,067               | 1,033,337               | 1,093,394               | 1,024,242               |
| Deferred tax assets   | 12,622                  | 8,551                   | -                       | -                       |
| <b>Total non-current assets</b>                                 | <b><u>1,147,917</u></b> | <b><u>1,087,858</u></b> | <b><u>1,130,428</u></b> | <b><u>1,075,212</u></b> |
| <b>Total assets</b>   | <b><u>1,255,707</u></b> | <b><u>1,179,953</u></b> | <b><u>1,304,008</u></b> | <b><u>1,213,487</u></b> |
| <b><u>LIABILITIES AND EQUITY</u></b>                            |                         |                         |                         |                         |
| <b>Current liabilities</b>                                      |                         |                         |                         |                         |
| Borrowings  | 218,454                 | 200,950                 | 218,454                 | 200,950                 |
| Trade and other payables  | 224,452                 | 225,052                 | 211,022                 | 217,110                 |
| Trade payables for buses  | 11,215                  | 8,299                   | 11,215                  | 8,299                   |
| Deposits received   | 3,867                   | 3,169                   | 3,767                   | 3,160                   |
| Insurance premiums payable<br>and provision for accident claims | 27,071                  | 28,916                  | 27,071                  | 28,916                  |
| Fuel price equalisation account                                 | 19,992                  | 19,992                  | 19,992                  | 19,992                  |
| Income tax payable  | 44                      | 62                      | 44                      | 62                      |
| <b>Total current liabilities</b>                                | <b><u>505,095</u></b>   | <b><u>486,440</u></b>   | <b><u>491,565</u></b>   | <b><u>478,489</u></b>   |
| <b>Non-current liabilities</b>                                  |                         |                         |                         |                         |
| Borrowings  | 306,709                 | 281,576                 | 306,709                 | 281,576                 |
| Deferred grants   | 7,924                   | 7,754                   | 7,924                   | 7,754                   |
| Deposits received   | 6,055                   | 5,507                   | 5,043                   | 4,502                   |
| Deferred tax liabilities  | 67,948                  | 58,207                  | 67,948                  | 58,207                  |
| Provision for service benefits<br>and long service awards       | 10,262                  | 10,398                  | 10,200                  | 10,351                  |
| Fuel price equalisation account                                 | 19,992                  | 19,992                  | 19,992                  | 19,992                  |
| <b>Total non-current liabilities</b>                            | <b><u>418,890</u></b>   | <b><u>383,434</u></b>   | <b><u>417,816</u></b>   | <b><u>382,382</u></b>   |
| <b>Total liabilities</b>  | <b><u>923,985</u></b>   | <b><u>869,874</u></b>   | <b><u>909,381</u></b>   | <b><u>860,871</u></b>   |
| <b>Capital and reserves</b>                                     |                         |                         |                         |                         |
| Share capital   | 94,786                  | 94,579                  | 94,786                  | 94,579                  |
| Other reserves  | (24,043)                | (37,427)                | (24,043)                | (37,427)                |
| Accumulated profits   | 260,979                 | 252,927                 | 323,884                 | 295,464                 |
| <b>Total equity</b>   | <b><u>331,722</u></b>   | <b><u>310,079</u></b>   | <b><u>394,627</u></b>   | <b><u>352,616</u></b>   |
| <b>Total liabilities and equity</b>                             | <b><u>1,255,707</u></b> | <b><u>1,179,953</u></b> | <b><u>1,304,008</u></b> | <b><u>1,213,487</u></b> |

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

|  | <b>30 Sep<br/>2015<br/>\$'000</b> | <b>31 Dec<br/>2014<br/>\$'000</b> |
|--|-----------------------------------|-----------------------------------|
| <b>Secured</b>                                     |                                   |                                   |
| Amount repayable in one year or less, or on demand | 11,454                            | 8,950                             |
| Amount repayable after one year                    | <u>156,709</u>                    | <u>131,576</u>                    |
|  | <u>168,163</u>                    | <u>140,526</u>                    |
| <b>Unsecured</b>                                   |                                   |                                   |
| Amount repayable in one year or less, or on demand | 207,000                           | 192,000                           |
| Amount repayable after one year                    | <u>150,000</u>                    | <u>150,000</u>                    |
|  | <u>357,000</u>                    | <u>342,000</u>                    |
| <b>Total</b>                                       |                                   |                                   |
| Amount repayable in one year or less, or on demand | 218,454                           | 200,950                           |
| Amount repayable after one year                    | <u>306,709</u>                    | <u>281,576</u>                    |
|  | <u>525,163</u>                    | <u>482,526</u>                    |

#### Details of any collateral

Total secured borrowings of \$168.2m relates to loan from an external party under the Bus Service Enhancement Programme (BSEP) secured over the BSEP buses and related accessories.

#### 4 GROUP CASH FLOW STATEMENT

|  | Group           |                 |                  |                  |
|--|-----------------|-----------------|------------------|------------------|
|  | 3rd Qtr<br>2015 | 3rd Qtr<br>2014 | 9 Months<br>2015 | 9 Months<br>2014 |
|  | \$'000          | \$'000          | \$'000           | \$'000           |
| <b>Operating activities</b>                              |                 |                 |                  |                  |
| Profit before taxation                                   | 6,269           | 6,656           | 19,246           | 16,153           |
| Adjustments for:   |                 |                 |                  |                  |
| Depreciation expense                                     | 21,536          | 18,053          | 63,208           | 52,151           |
| Finance costs  | 1,597           | 1,220           | 4,266            | 3,538            |
| Net gain on disposal of vehicles and equipment           | (100)           | (514)           | (694)            | (1,201)          |
| Interest income  | (61)            | (62)            | (181)            | (232)            |
| Grant income   | (23,287)        | (15,981)        | (68,036)         | (40,692)         |
| Operating cash flows before movements in working capital | 5,954           | 9,372           | 17,809           | 29,717           |
| Changes in working capital                               | (5)             | 2,349           | 4,029            | 3,675            |
| Cash generated from operations                           | 5,949           | 11,721          | 21,838           | 33,392           |
| Income tax paid  | (20)            | (21)            | (54)             | (52)             |
| Net cash from operating activities                       | 5,929           | 11,700          | 21,784           | 33,340           |
| <b>Investing activities</b>                              |                 |                 |                  |                  |
| Interest received  | -               | 1               | 121              | 222              |
| Proceeds from disposal of:                               |                 |                 |                  |                  |
| Vehicles and equipment                                   | 100             | 518             | 701              | 1,210            |
| Available-for-sale investments                           | -               | -               | -                | 5,000            |
| Purchase of vehicles, premises and equipment             | (34,420)        | (73,662)        | (119,380)        | (172,806)        |
| Net cash used in investing activities                    | (34,320)        | (73,143)        | (118,558)        | (166,374)        |
| <b>Financing activities</b>                              |                 |                 |                  |                  |
| New loans raised   | 84,530          | 102,326         | 264,175          | 263,381          |
| Repayment of loans                                       | (70,782)        | (50,329)        | (221,538)        | (159,216)        |
| Proceeds from share issue                                | -               | 72              | 190              | 657              |
| Grants received  | 21,572          | 13,314          | 66,150           | 38,593           |
| Interest paid  | (1,584)         | (1,425)         | (4,142)          | (3,814)          |
| Dividends paid   | (5,101)         | (3,864)         | (8,346)          | (6,641)          |
| Others   | 12              | -               | 21               | 71               |
| Net cash from financing activities                       | 28,647          | 60,094          | 96,510           | 133,031          |
| Net increase (decrease) in cash and cash equivalents     | 256             | (1,349)         | (264)            | (3)              |
| Cash and cash equivalents at beginning of period         | 4,467           | 5,840           | 4,987            | 4,494            |
| <b>Cash and cash equivalents at end of period</b>        | <b>4,723</b>    | <b>4,491</b>    | <b>4,723</b>     | <b>4,491</b>     |

5 GROUP COMPREHENSIVE INCOME STATEMENT

|  | Group         |               |               |               |
|--|---------------|---------------|---------------|---------------|
|  | 3rd Qtr       | 3rd Qtr       | 9 Months      | 9 Months      |
|  | 2015          | 2014          | 2015          | 2014          |
|  | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> | <u>\$'000</u> |
| <b>Profit attributable to shareholders</b>                               | 5,459         | 5,747         | 16,320        | 14,008        |
| <i>Items that may be reclassified subsequently to profit or loss</i>     |               |               |               |               |
| Fair value adjustment on cash flow hedges                                | (3,153)       | (5,935)       | 13,571        | (7,729)       |
| Fair value adjustment on available-for-sale investments                  | (67)          | (12)          | (113)         | (30)          |
| <b>Total comprehensive income (expense) attributable to shareholders</b> | <u>2,239</u>  | <u>(200)</u>  | <u>29,778</u> | <u>6,249</u>  |

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended 30 September 2015:

|  | Group                                       |                             |                                  |                           |
|--|---|-----------------------------|----------------------------------|---------------------------|
|  | Attributable to shareholders of the Company |                             |                                  |                           |
|  | Share<br>capital<br>\$'000                  | Other<br>reserves<br>\$'000 | Accumulated<br>profits<br>\$'000 | Total<br>equity<br>\$'000 |
| <b>Balance at 1 January 2015</b>                           | 94,579                                      | (37,427)                    | 252,927                          | 310,079                   |
| <b>Total comprehensive income for the period</b>           |   |                             |                                  |                           |
| Profit for the period                                      | -   | -                           | 10,861                           | 10,861                    |
| Other comprehensive income for the period                  | -   | 16,678                      | -                                | 16,678                    |
| <b>Total</b>   | -   | 16,678                      | 10,861                           | 27,539                    |
| <b>Transactions recognised directly in equity</b>          |   |                             |                                  |                           |
| Exercise of share options                                  | 207   | (17)                        | -                                | 190                       |
| Payment of dividends                                       | -   | -                           | (3,245)                          | (3,245)                   |
| Other reserves   | -   | (42)                        | 51                               | 9                         |
| <b>Total</b>   | 207   | (59)                        | (3,194)                          | (3,046)                   |
| <b>Balance at 30 June 2015</b>                             | 94,786                                      | (20,808)                    | 260,594                          | 334,572                   |
| <b>Total comprehensive income (expense) for the period</b> |   |                             |                                  |                           |
| Profit for the period                                      | -   | -                           | 5,459                            | 5,459                     |
| Other comprehensive expense for the period                 | -   | (3,220)                     | -                                | (3,220)                   |
| <b>Total</b>   | -   | (3,220)                     | 5,459                            | 2,239                     |
| <b>Transactions recognised directly in equity</b>          |   |                             |                                  |                           |
| Payment of dividends                                       | -   | -                           | (5,101)                          | (5,101)                   |
| Other reserves   | -   | (15)                        | 27                               | 12                        |
| <b>Total</b>   | -   | (15)                        | (5,074)                          | (5,089)                   |
| <b>Balance at 30 September 2015</b>                        | 94,786                                      | (24,043)                    | 260,979                          | 331,722                   |

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended 30 September 2014:

|  | Group                                       |                   |                        |                 |
|--|---|-------------------|------------------------|-----------------|
|  | Attributable to shareholders of the Company |                   |                        |                 |
|  | Share<br>capital                            | Other<br>reserves | Accumulated<br>profits | Total<br>equity |
|  | \$'000                                      | \$'000            | \$'000                 | \$'000          |
| <b>Balance at 1 January 2014</b>                           | 93,875                                      | 5,225             | 245,191                | 344,291         |
| <b>Total comprehensive income (expense) for the period</b> |   |                   |                        |                 |
| Profit for the period                                      | -   | -                 | 8,261                  | 8,261           |
| Other comprehensive expense for the period                 | -   | (1,812)           | -                      | (1,812)         |
| <b>Total</b>   | -   | (1,812)           | 8,261                  | 6,449           |
| <b>Transactions recognised directly in equity</b>          |   |                   |                        |                 |
| Exercise of share options                                  | 631   | (46)              | -                      | 585             |
| Payment of dividends                                       | -   | -                 | (2,777)                | (2,777)         |
| Other reserves   | -   | (14)              | 85                     | 71              |
| <b>Total</b>   | 631   | (60)              | (2,692)                | (2,121)         |
| <b>Balance at 30 June 2014</b>                             | 94,506                                      | 3,353             | 250,760                | 348,619         |
| <b>Total comprehensive income (expense) for the period</b> |   |                   |                        |                 |
| Profit for the period                                      | -   | -                 | 5,747                  | 5,747           |
| Other comprehensive expense for the period                 | -   | (5,947)           | -                      | (5,947)         |
| <b>Total</b>   | -   | (5,947)           | 5,747                  | (200)           |
| <b>Transactions recognised directly in equity</b>          |   |                   |                        |                 |
| Exercise of share options                                  | 73  | (1)               | -                      | 72              |
| Payment of dividends                                       | -   | -                 | (3,864)                | (3,864)         |
| Other reserves   | -   | (1)               | 1                      | -               |
| <b>Total</b>   | 73  | (2)               | (3,863)                | (3,792)         |
| <b>Balance at 30 September 2014</b>                        | 94,579                                      | (2,596)           | 252,644                | 344,627         |

Statement of Changes in Equity of the Company for the Third Quarter and 9 Months ended 30 September 2015:

|  | <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 2015</b>                           | 94,579               | (37,427)              | 295,464                    | 352,616             |
| <b>Total comprehensive income for the period</b>           |                      |                       |                            |                     |
| Profit for the period                                      | -                    | -                     | 23,645                     | 23,645              |
| Other comprehensive income for the period                  | -                    | 16,678                | -                          | 16,678              |
| <b>Total</b>   | -                    | 16,678                | 23,645                     | 40,323              |
| <b>Transactions recognised directly in equity</b>          |                      |                       |                            |                     |
| Exercise of share options                                  | 207                  | (17)                  | -                          | 190                 |
| Payment of dividends                                       | -                    | -                     | (3,245)                    | (3,245)             |
| Other reserves   | -                    | (42)                  | 51                         | 9                   |
| <b>Total</b>   | 207                  | (59)                  | (3,194)                    | (3,046)             |
| <b>Balance at 30 June 2015</b>                             | 94,786               | (20,808)              | 315,915                    | 389,893             |
| <b>Total comprehensive income (expense) for the period</b> |                      |                       |                            |                     |
| Profit for the period                                      | -                    | -                     | 13,043                     | 13,043              |
| Other comprehensive expense for the period                 | -                    | (3,220)               | -                          | (3,220)             |
| <b>Total</b>   | -                    | (3,220)               | 13,043                     | 9,823               |
| <b>Transactions recognised directly in equity</b>          |                      |                       |                            |                     |
| Payment of dividends                                       | -                    | -                     | (5,101)                    | (5,101)             |
| Other reserves   | -                    | (15)                  | 27                         | 12                  |
| <b>Total</b>   | -                    | (15)                  | (5,074)                    | (5,089)             |
| <b>Balance at 30 September 2015</b>                        | 94,786               | (24,043)              | 323,884                    | 394,627             |



Statement of Changes in Equity of the Company for the Third Quarter and 9 Months ended 30 September 2014:

|  | <b>Company</b>           |                           |                                |                         |
|--|--------------------------|---------------------------|--------------------------------|-------------------------|
|  | <b>Share<br/>capital</b> | <b>Other<br/>reserves</b> | <b>Accumulated<br/>profits</b> | <b>Total<br/>equity</b> |
|  | <b>\$'000</b>            | <b>\$'000</b>             | <b>\$'000</b>                  | <b>\$'000</b>           |
| <b>Balance at 1 January 2014</b>                           | 93,875                   | 5,225                     | 267,024                        | 366,124                 |
| <b>Total comprehensive income (expense) for the period</b> |                          |                           |                                |                         |
| Profit for the period                                      | -                        | -                         | 18,770                         | 18,770                  |
| Other comprehensive expense for the period                 | -                        | (1,812)                   | -                              | (1,812)                 |
| <b>Total</b>   | -                        | (1,812)                   | 18,770                         | 16,958                  |
| <b>Transactions recognised directly in equity</b>          |                          |                           |                                |                         |
| Exercise of share options                                  | 631                      | (46)                      | -                              | 585                     |
| Payment of dividends                                       | -                        | -                         | (2,777)                        | (2,777)                 |
| Other reserves   | -                        | (14)                      | 85                             | 71                      |
| <b>Total</b>   | 631                      | (60)                      | (2,692)                        | (2,121)                 |
| <b>Balance at 30 June 2014</b>                             | 94,506                   | 3,353                     | 283,102                        | 380,961                 |
| <b>Total comprehensive income (expense) for the period</b> |                          |                           |                                |                         |
| Profit for the period                                      | -                        | -                         | 10,534                         | 10,534                  |
| Other comprehensive expense for the period                 | -                        | (5,947)                   | -                              | (5,947)                 |
| <b>Total</b>   | -                        | (5,947)                   | 10,534                         | 4,587                   |
| <b>Transactions recognised directly in equity</b>          |                          |                           |                                |                         |
| Exercise of share options                                  | 73                       | (1)                       | -                              | 72                      |
| Payment of dividends                                       | -                        | -                         | (3,864)                        | (3,864)                 |
| Other reserves   | -                        | (1)                       | 1                              | -                       |
| <b>Total</b>   | 73                       | (2)                       | (3,863)                        | (3,792)                 |
| <b>Balance at 30 September 2014</b>                        | 94,579                   | (2,596)                   | 289,773                        | 381,756                 |

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

### Share Capital

Since 30 June 2015, no new ordinary share was issued by the Company.

As at 30 September 2015, the total number of issued shares was 309,164,766 (31 December 2014: 309,044,766).

### 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 September 2015, there were unexercised options for 4,791,250 (30 September 2014: 5,598,750) of unissued ordinary shares under the SBS Transit Share Option Scheme.

As at 30 September 2015, 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**

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2014.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2015.

The adoption of these new and revised FRSs has no material effect on the amounts reported for the current or prior years.

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

Not applicable.

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

Earnings per ordinary share

|   | <b>Group</b>            |                         |                          |                          |
|---|-------------------------|-------------------------|--------------------------|--------------------------|
|   | <b>3rd Qtr<br/>2015</b> | <b>3rd Qtr<br/>2014</b> | <b>9 Months<br/>2015</b> | <b>9 Months<br/>2014</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)              | 1.77                    | 1.86                    | 5.28                     | 4.54                     |
| (ii) On a fully diluted basis (cents)   | 1.77                    | 1.86                    | 5.28                     | 4.54                     |

EBITDA

|                        | <b>Group</b>            |                         |                          |                          |
|------------------------|-------------------------|-------------------------|--------------------------|--------------------------|
|                        | <b>3rd Qtr<br/>2015</b> | <b>3rd Qtr<br/>2014</b> | <b>9 Months<br/>2015</b> | <b>9 Months<br/>2014</b> |
| (i) EBITDA (\$'000)    | 29,341                  | 25,867                  | 86,539                   | 71,610                   |
| (ii) EBITDA margin (%) | 11.2                    | 10.4                    | 11.3                     | 10.1                     |

**13 NET ASSET VALUE PER ORDINARY SHARE**

|  | <b>Group</b>           |                        | <b>Company</b>         |                        |
|--|------------------------|------------------------|------------------------|------------------------|
|  | <b>30 Sep<br/>2015</b> | <b>31 Dec<br/>2014</b> | <b>30 Sep<br/>2015</b> | <b>31 Dec<br/>2014</b> |
| Net asset value per ordinary share based on issued share capital at the end of the period/year (dollars) | 1.07                   | 1.00                   | 1.28                   | 1.14                   |

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$262.0m for 3Q15 increased by 5.4% or \$13.4m from \$248.6m for 3Q14 while Group operating costs of \$254.2m increased by 5.6% or \$13.4m from \$240.8m for 3Q14.

Group operating profit of \$7.8m for 3Q15 was marginally lower than 3Q14 by 0.1% or \$9k.

Net income from investments of \$61k for 3Q15 was marginally lower than that of \$62k for 3Q14 by 1.6% or \$1k.

Finance costs of \$1.6m for 3Q15 were 30.9% or \$0.4m higher than that of \$1.2m for 3Q14.

Consequently, Group profit before tax of \$6.3m for 3Q15 was 5.8% or \$0.4m lower than that of \$6.7m for 3Q14.

Taxation of \$0.8m for 3Q15 was lower than that of \$0.9m for 3Q14 by 10.9% or \$0.1m due mainly to lower profits for 3Q15.

Group profit attributable to shareholders of the Company of \$5.5m for 3Q15 was 5.0% or \$0.2m lower than that of \$5.7m for 3Q14.

A segmental breakdown by business is provided under paragraph 18.

Revenue from the Bus segment of \$207.3m for 3Q15 was higher by 4.9% or \$9.7m compared to \$197.6m in the corresponding quarter last year due mainly to the increases in average daily ridership and average fare and higher other operating income. Average daily ridership increased by 2.0% to 2.9m passenger trips for 3Q15. Operating profit of \$6.8m for 3Q15 increased by 24.1% or \$1.3m from \$5.5m for 3Q14 due mainly to higher revenue and lower fuel costs, offset by higher staff costs, higher depreciation, higher repairs and maintenance costs and higher other operating costs.

Revenue from the Rail segment of \$54.7m for 3Q15 was higher by 7.3% or \$3.7m compared to \$51.0m in the corresponding quarter last year due mainly to the increases in average daily ridership and average fare. For 3Q15, average daily ridership for the North-East Line (NEL) grew by 4.2% to 549k passenger trips and that for the Light Rail Transit (LRT) increased by 15.5% to 103k passenger trips as compared to that of 3Q14. Average daily ridership for Downtown Line Stage 1 (DTL1) grew by 15.2% to 78k passenger trips. Operating profit for 3Q15 was \$1.0m, a decrease of 57.5% or \$1.3m from \$2.3m for 3Q14 due mainly to higher staff costs from build-up of staff for Downtown Line Stage 2 (DTL2), higher premises costs and higher repairs and maintenance costs, offset by higher revenue and lower electricity costs.

### Statement of Financial Position

As at 30 September 2015, total equity for the Group increased by 7.0% or \$21.6m to \$331.7m as compared to 31 December 2014 due to profits generated from operations and an increase in other reserves, partially offset by payment of dividends.

Group total assets increased by 6.4% or \$75.8m to \$1.3b due to an increase in non-current assets of \$60.1m and an increase in current assets of \$15.7m. The increase in non-current assets was due mainly to the purchase of buses and an increase in deferred tax assets, partially offset by a decrease in prepayments for new buses. The increase in current assets was due mainly to an increase in trade and other receivables and an increase in inventories.

Group total liabilities increased by 6.2% or \$54.1m to \$924.0m due to an increase in non-current liabilities of \$35.5m and an increase in current liabilities of \$18.6m. The increase in non-current liabilities was due mainly to higher borrowings and deferred tax liabilities. The increase in current liabilities was due mainly to increases in borrowings and trade payables for buses.

## **Cash Flow**

The net cash inflow of \$0.3m for 3Q15 was mainly from the new loans raised, grants received and net cash generated from operations, partially offset by the repayment of loans, purchase of buses and payments of dividends and interest.

As at 30 September 2015, the Group had cash and bank balances of \$4.7m. After accounting for the borrowings of \$525.2m, the Group had a net debt position of \$520.5m and a net gearing ratio of 156.9% which was higher than that of 154.0% as at 31 December 2014. The Group's gross gearing ratio was 158.3% as at 30 September 2015 compared to 155.6% as at 31 December 2014.

### **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 is expected to be higher with higher ridership.

The Bus and Rail segments will continue to face challenges. With the headcount increases mainly from the build-up for BSEP and in preparation for operation of DTL2, staff costs are expected to be higher. Financing cost is expected to be higher due to higher interest rates. Operating expenses for the Rail segment will continue to increase due to higher repairs and maintenance.

### **17 DIVIDEND**

#### **(a) Current Financial Period Reported on**

Any dividend proposed for the current financial period reported on? None.

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

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

#### **(c) Date Payable**

Not applicable.

#### **(d) Books Closure Date**

Not applicable.

**18 GROUP SEGMENTAL INFORMATION**

By Business Activity

|                                | <u>Bus</u><br>\$'000 | <u>Rail</u><br>\$'000 | <u>Total</u><br>\$'000 |
|--------------------------------|----------------------|-----------------------|------------------------|
| <b><u>3rd Quarter 2015</u></b> |                      |                       |                        |
| Revenue                        | 207,306              | 54,708                | 262,014                |
| <b><u>Results</u></b>          |                      |                       |                        |
| Segment results                | 6,818                | 987                   | 7,805                  |
| Net income from investments    |                      |                       | 61                     |
| Finance costs                  |                      |                       | (1,597)                |
| Profit before taxation         |                      |                       | 6,269                  |
| Taxation                       |                      |                       | (810)                  |
| Profit after taxation          |                      |                       | <u>5,459</u>           |
| <b><u>3rd Quarter 2014</u></b> |                      |                       |                        |
| Revenue                        | 197,583              | 51,001                | 248,584                |
| <b><u>Results</u></b>          |                      |                       |                        |
| Segment results                | 5,493                | 2,321                 | 7,814                  |
| Net income from investments    |                      |                       | 62                     |
| Finance costs                  |                      |                       | (1,220)                |
| Profit before taxation         |                      |                       | 6,656                  |
| Taxation                       |                      |                       | (909)                  |
| Profit after taxation          |                      |                       | <u>5,747</u>           |
| <b><u>9 Months 2015</u></b>    |                      |                       |                        |
| Revenue                        | 606,094              | 157,980               | 764,074                |
| <b><u>Results</u></b>          |                      |                       |                        |
| Segment results                | 17,436               | 5,895                 | 23,331                 |
| Net income from investments    |                      |                       | 181                    |
| Finance costs                  |                      |                       | (4,266)                |
| Profit before taxation         |                      |                       | 19,246                 |
| Taxation                       |                      |                       | (2,926)                |
| Profit after taxation          |                      |                       | <u>16,320</u>          |
| <b><u>9 Months 2014</u></b>    |                      |                       |                        |
| Revenue                        | 559,466              | 147,069               | 706,535                |
| <b><u>Results</u></b>          |                      |                       |                        |
| Segment results                | 11,938               | 7,521                 | 19,459                 |
| Net income from investments    |                      |                       | 232                    |
| Finance costs                  |                      |                       | (3,538)                |
| Profit before taxation         |                      |                       | 16,153                 |
| Taxation                       |                      |                       | (2,145)                |
| Profit after taxation          |                      |                       | <u>14,008</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 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 Third Quarter 2015 financial results to be false or misleading in any material aspect.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh  
Chairman

Gan Juay Kiat  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Chan Wan Tak, Wendy  
Company Secretary

12 November 2015