

The Board of Directors announces the audited results for the year ended 31 December 2013.

1 GROUP INCOME STATEMENT

(i)

	Group		
	Full Year 2013 \$'000	Full Year 2012 \$'000	Incr/ (Decr) %
Revenue	847,322	792,277	6.9
Staff costs	386,766	340,343	13.6
Repairs and maintenance	106,828	97,301	9.8
Fuel and electricity costs	174,213	177,148	(1.7)
Premises costs	33,896	31,454	7.8
Depreciation expense	61,916	57,031	8.6
Other operating expenses	68,177	63,582	7.2
Total operating expenses	<u>831,796</u>	<u>766,859</u>	8.5
Operating profit	15,526	25,418	(38.9)
Net income from investments	456	473	(3.6)
Finance costs	<u>(4,304)</u>	<u>(2,841)</u>	51.5
Profit before taxation	11,678	23,050	(49.3)
Taxation	<u>(502)</u>	<u>(4,493)</u>	(88.8)
Profit attributable to shareholders	<u>11,176</u>	<u>18,557</u>	(39.8)

(ii) Included in the determination of net profit is the following item :-

	Group		
	Full Year 2013 \$'000	Full Year 2012 \$'000	Incr/ (Decr) %
<u>After crediting :-</u>			
Net gain on disposal of vehicles and equipment	739	1,514	(51.2)

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2013 \$'000	31 Dec 2012 \$'000	31 Dec 2013 \$'000	31 Dec 2012 \$'000
ASSETS				
Current assets				
Short-term deposits and bank balances	4,494	18,247	4,265	18,111
Available-for-sale investments	5,045	-	5,045	-
Trade receivables	9,388	7,817	9,274	7,817
Other receivables and prepayments	24,682	33,843	41,739	38,996
Inventories	42,833	33,402	42,524	33,402
Total current assets	86,442	93,309	102,847	98,326
Non-current assets				
Subsidiary	-	-	5,000	100
Available-for-sale investments	5,549	11,021	5,549	11,021
Prepayments	27,363	41,518	27,281	41,518
Vehicles, premises and equipment	902,871	784,252	894,085	784,001
Deferred tax assets	4,407	-	-	-
Total non-current assets	940,190	836,791	931,915	836,640
Total assets	1,026,632	930,100	1,034,762	934,966
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	31,485	1,253	31,485	1,253
Trade and other payables	155,600	131,499	142,661	130,246
Trade payables for buses	15,746	26,879	15,746	26,879
Deposits received	2,196	2,180	2,176	2,180
Insurance premiums payable and provision for accident claims	30,126	31,039	30,126	31,039
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	69	69	69	69
Total current liabilities	255,214	212,911	242,255	211,658
Non-current liabilities				
Borrowings	322,608	276,911	322,608	276,911
Deferred grants	7,077	5,495	7,077	5,495
Deposits received	5,227	3,701	4,525	3,701
Deferred tax liabilities	60,919	56,233	60,919	56,233
Provision for service benefits and long service awards	11,304	12,800	11,262	12,774
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	427,127	375,132	426,383	375,106
Capital and reserves				
Share capital	93,875	93,875	93,875	93,875
Other reserves	5,225	6,522	5,225	6,522
Accumulated profits	245,191	241,660	267,024	247,805
Total equity	344,291	342,057	366,124	348,202
Total liabilities and equity	1,026,632	930,100	1,034,762	934,966

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	<u>31 Dec 2013</u>	<u>31 Dec 2012</u>
	<u>\$'000</u>	<u>\$'000</u>
Secured		
Amount repayable in one year or less, or on demand	4,985	-
Amount repayable after one year	<u>72,608</u>	<u>-</u>
	<u>77,593</u>	<u>-</u>
Unsecured		
Amount repayable in one year or less, or on demand	26,500	1,253
Amount repayable after one year	<u>250,000</u>	<u>276,911</u>
	<u>276,500</u>	<u>278,164</u>
Total		
Amount repayable in one year or less, or on demand	31,485	1,253
Amount repayable after one year	<u>322,608</u>	<u>276,911</u>
	<u>354,093</u>	<u>278,164</u>

Details of any collateral

Total secured borrowing of \$77.6m relates to loan from external party under the Bus Service Enhancement Programme (BSEP) secured over the BSEP buses and related accessories.

4 GROUP CASH FLOW STATEMENT

	Group	
	Full Year 2013	Full Year 2012
	\$'000	\$'000
Operating activities		
Profit before taxation	11,678	23,050
Adjustments for:		
Depreciation expense	61,916	57,031
Finance costs	4,304	2,841
Net gain on disposal of vehicles and equipment	(739)	(1,514)
Interest income	(456)	(473)
Grant income	(31,906)	(2,962)
Operating cash flows before movements in working capital	44,797	77,973
Changes in working capital	10,860	(1,193)
Cash generated from operations	55,657	76,780
Income tax paid	(68)	(67)
Net cash from operating activities	55,589	76,713
Investing activities		
Interest received	457	471
Proceeds from disposal of vehicles and equipment	852	1,817
Purchase of vehicles, premises and equipment	(166,121)	(202,721)
Net cash used in investing activities	(164,812)	(200,433)
Financing activities		
New loans raised	192,735	178,432
Repayment of loans	(116,806)	(28,768)
Grants received	31,973	1,806
Interest paid	(4,672)	(2,263)
Dividends paid	(7,870)	(12,808)
Others	110	28
Net cash from financing activities	95,470	136,427
Net (decrease) increase in cash and cash equivalents	(13,753)	12,707
Cash and cash equivalents at beginning of year	18,247	5,540
Cash and cash equivalents at end of year	4,494	18,247

Certain comparative figures have been reclassified to conform to current year's presentation.

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	Full Year 2013	Full Year 2012
	\$'000	\$'000
Profit attributable to shareholders	11,176	18,557
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	(755)	2,944
Fair value adjustment on available-for-sale investments	(427)	(85)
Total comprehensive income attributable to shareholders	9,994	21,416

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2013:

	Group			
	Attributable to shareholders of the Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2012	93,875	3,814	235,732	333,421
Total comprehensive income for the year				
Profit for the year	-	-	18,557	18,557
Other comprehensive income for the year	-	2,859	-	2,859
Total	-	2,859	18,557	21,416
Transactions recognised directly in equity				
Payment of dividends	-	-	(12,808)	(12,808)
Other reserves	-	(151)	179	28
Total	-	(151)	(12,629)	(12,780)
Balance at 31 December 2012	93,875	6,522	241,660	342,057
Total comprehensive income for the year				
Profit for the year	-	-	11,176	11,176
Other comprehensive expense for the year	-	(1,182)	-	(1,182)
Total	-	(1,182)	11,176	9,994
Transactions recognised directly in equity				
Payment of dividends	-	-	(7,870)	(7,870)
Other reserves	-	(115)	225	110
Total	-	(115)	(7,645)	(7,760)
Balance at 31 December 2013	93,875	5,225	245,191	344,291

Statement of Changes in Equity of the Company for the year ended 31 December 2013:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
	Balance at 1 January 2012	93,875	3,814	235,732
Total comprehensive income for the year				
Profit for the year	-	-	24,702	24,702
Other comprehensive income for the year	-	2,859	-	2,859
Total	-	2,859	24,702	27,561
Transactions recognised directly in equity				
Payment of dividends	-	-	(12,808)	(12,808)
Other reserves	-	(151)	179	28
Total	-	(151)	(12,629)	(12,780)
Balance at 31 December 2012	93,875	6,522	247,805	348,202
Total comprehensive income for the year				
Profit for the year	-	-	26,864	26,864
Other comprehensive expense for the year	-	(1,182)	-	(1,182)
Total	-	(1,182)	26,864	25,682
Transactions recognised directly in equity				
Payment of dividends	-	-	(7,870)	(7,870)
Other reserves	-	(115)	225	110
Total	-	(115)	(7,645)	(7,760)
Balance at 31 December 2013	93,875	5,225	267,024	366,124

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

Since 30 September 2013, no new ordinary shares were issued by the Company.

As at 31 December 2013, the total number of issued shares was 308,629,766 (31 December 2012: 308,629,766).

As at 31 December 2013, the Company does not hold any treasury shares.

Outstanding Shares - SBS Transit Share Option Scheme

As at 31 December 2013, there were unexercised options for 6,173,750 (31 December 2012: 7,306,250) of unissued ordinary shares under the SBS Transit Share Option Scheme.

8 AUDIT

The financial statements have been audited in accordance with the Singapore Standards on Auditing.

9 AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SBS TRANSIT LTD

Report on the Financial Statements

We have audited the financial statements of SBS Transit Ltd (the "Company") and its subsidiary (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2013, and the income statement, comprehensive income statement, statement of changes in equity and cash flow statement of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Jeremy Toh Yew Kuan
Partner

Singapore
12 February 2014

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting year consistent with those of the audited financial statements for the year ended 31 December 2012.

In the current financial year, 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 or after 1 January 2013. The adoption of these new/revised FRSs does not result in changes to the Group's accounting policies and 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

	Group	
	Full Year 2013	Full Year 2012
Earnings per ordinary share for the year based on profit attributable to shareholders:-		
(i) Based on the weighted average number of ordinary shares in issue (cents)	3.62	6.01
(ii) On a fully diluted basis (cents)	3.62	6.01

EBITDA

	Group	
	Full Year 2013	Full Year 2012
(i) EBITDA (\$'000)	77,442	82,449
(ii) EBITDA margin (%)	9.1	10.4

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Net asset value per ordinary share based on issued share capital at the end of the year (dollars)	1.12	1.11	1.19	1.13

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of \$847.3m for 2013 increased by 6.9% or \$55.0m from \$792.3m in 2012 while Group operating expenses of \$831.8m increased by 8.5% or \$64.9m from \$766.9m in 2012.

Group operating profit of \$15.5m for 2013 was 38.9% or \$9.9m lower than that of \$25.4m in 2012.

Net income from investments of \$0.5m for 2013 was marginally lower than 2012 by 3.6%.

Finance costs of \$4.3m for 2013 was 51.5% or \$1.5m higher than 2012 due to the increase in borrowings.

Consequently, Group profit before tax for 2013 of \$11.7m was 49.3% or \$11.4m lower than that of \$23.1m in 2012.

Taxation for 2013 of \$0.5m was lower than 2012 by 88.8% or \$4.0m due mainly to tax credit recognised for the subsidiary of the Company and adjustment of prior year's taxation.

Group profit attributable to shareholders of the Company for 2013 of \$11.2m was 39.8% or \$7.4m lower than that of \$18.6m in 2012.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 2013 at \$644.9m was higher by 7.3% or \$43.9m than the \$601.0m last year due to the increase in average daily ridership of 3.4% and an increase in other operating income, offset by the decrease in average fare. Operating loss of \$14.3m for 2013 decreased by 2.5% or \$0.4m from the operating loss of \$14.7m last year due to higher bus revenue and lower fuel cost, offset by higher staff costs, higher repairs and maintenance costs, higher depreciation, higher premises costs and higher other operating expenses.

Revenue from Rail Operations for 2013 at \$148.1m increased by 6.9% or \$9.5m from \$138.6m last year due to the increase in average daily ridership and the commencement of Downtown Line (DTL) 1 operations from 22 December 2013. Average daily ridership for the North-East Line and the two Light Rail Transit systems went up by 6.1% and 11.5% respectively as compared to 2012. For 2013, Rail Operations incurred an operating loss of \$5.8m as compared to an operating profit of \$4.9m for last year due mainly to higher staff costs largely from the preparation for the start up of the DTL and higher repairs and maintenance costs, offset by higher rail fare revenue and lower electricity cost.

The DTL start up costs for 2013 was \$20.7m. Excluding the costs for DTL, operating profit for Rail Operations in 2013 would have increased by 22.4% or \$2.5m to \$13.6m from \$11.1m last year.

Revenue from Advertisement Business for 2013 decreased by 5.3% or \$1.9m to \$34.8m from \$36.7m last year due mainly to the decrease in bus advertising sales. Operating profit for 2013 of \$20.3m decreased by 13.5% or \$3.2m as compared to \$23.5m for last year due mainly to lower advertising revenue and higher staff costs.

Revenue from Rental Business for 2013 increased by 22.1% or \$3.5m to \$19.5m as compared to \$16.0m for last year due mainly to rental from new shops and renewals. Consequently, operating profit for 2013 of \$15.4m increased by 30.7% or \$3.6m as compared to \$11.8m last year.

Statement of Financial Position

As at 31 December 2013, total equity for the Group increased by 0.7% or \$2.2m to \$344.3m as compared to 31 December 2012 due mainly to profits generated from operations, partially offset by payment of dividends and lower fair value gain on cash flow hedge.

Group total assets increased by 10.4% or \$96.5m to \$1.0b due to an increase in non-current assets of \$103.4m, partially offset by a decrease in current assets of \$6.9m. The increase in non-current assets was due mainly to the purchase of buses, partially offset by the decrease in prepayments for new buses. The decrease in current assets was due mainly to the decrease in short-term deposits and other receivables, partially offset by the increase in inventories and reclassification of available-for-sale investments from non-current to current assets.

Group total liabilities increased by 16.0% or \$94.3m to \$682.3m due to an increase in non-current liabilities of \$52.0m and an increase in current liabilities of \$42.3m. The increase in non-current liabilities was due mainly to the additional loans from external party and an increase in deferred tax liabilities. The increase in current liabilities was due mainly to the increase in borrowings from banks, loans from external party and trade and other payables, partially offset by the decrease in trade payables for buses.

Cash Flow

Net cash outflow of \$13.8m for 2013 was mainly from the purchase of buses, repayment of loans and payment of dividends and interest, partially offset by new loans raised and net cash generated from operations.

As at 31 December 2013, the Group had cash and short-term deposits of \$4.5m. After accounting for the borrowings of \$354.1m, the Group had a net debt position of \$349.6m and a net gearing ratio of 101.5% which was higher than that of 76.0% as at 31 December 2012. The Group's gross gearing ratio was 102.9% as at 31 December 2013 compared to 81.3% as at 31 December 2012.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Bus ridership is expected to increase at slower rate. Rail ridership is expected to experience higher growth with the opening of DTL 1.

Advertising and Rental revenue are expected to increase due to the 6 new DTL stations.

Staff costs are expected to be higher due to the headcount increase mainly from the build-up for BSEP and DTL 2 and salary adjustments. With the renewal and expansion of the bus fleet, depreciation and financing costs are expected to increase. The outlook for Bus and Rail segments will continue to be challenging.

The overall fare adjustment of 3.2% approved by the Public Transport Council for bus and train fares will take effect from 6 April 2014.

17 DIVIDEND

(a) Current Financial Period Reported On

The Directors are pleased to propose a tax-exempt one-tier final dividend of 0.90 cents (2012: 1.65 cents) per ordinary share.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	0.90 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	1.65 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The proposed final dividend, if approved by the Shareholders at the Twenty-First Annual General Meeting of the Company to be held on 24 April 2014, will be payable on 12 May 2014.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2014 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to 5.00pm on 5 May 2014 will be registered to determine Shareholders' entitlements to the final 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 5.00pm on 5 May 2014 will be entitled to the proposed final dividend.

18 GROUP SEGMENTAL INFORMATION

By Business Activity

	<u>Bus</u>	<u>Rail</u>	<u>Advertise- ments</u>	<u>Rental</u>	<u>Total</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<u>Full Year 2013</u>					
Revenue	644,857	148,138	34,814	19,513	847,322
<u>Results</u>					
Segment results	(14,376)	(5,774)	20,302	15,374	15,526
Net income from investments					456
Finance costs					(4,304)
Profit before taxation					11,678
Taxation					(502)
Profit after taxation					<u>11,176</u>
<u>Full Year 2012</u>					
Revenue	600,936	138,607	36,754	15,980	792,277
<u>Results</u>					
Segment results	(14,738)	4,926	23,467	11,763	25,418
Net income from investments					473
Finance costs					(2,841)
Profit before taxation					23,050
Taxation					(4,493)
Profit after taxation					<u>18,557</u>

19 BREAKDOWN OF REVENUE

	<u>Full Year 2013</u>	<u>Full Year 2012</u>	<u>Incr/ (Decr)</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
(a) Revenue reported for first half year	414,099	387,489	6.9
(b) Operating profit after tax before deducting minority interests reported for first half year	5,981	9,388	(36.3)
(c) Revenue reported for second half year	433,223	404,788	7.0
(d) Operating profit after tax before deducting minority interests reported for second half year	5,195	9,169	(43.3)

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	Full Year 2013 \$'000	Full Year 2012 \$'000
Ordinary shares (tax-exempt one-tier)		
- Interim	2,778	4,166
- Final (proposed)	2,778	5,092
Total	5,556	9,258

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 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2013, none of the persons occupying managerial positions in the Company or its subsidiary is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

12 February 2014