

Second Quarter 2012 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results for the Second Quarter and Half-Year ended 30 June 2012.

1 GROUP INCOME STATEMENT

(i)

	Group					
	2nd Qtr 2012	2nd Qtr 2011	Incr/ (Decr)	1st Half 2012	1st Half 2011	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	196,212	185,650	5.7	387,489	369,597	4.8
Staff costs	(83,623)	(73,670)	13.5	(163,887)	(151,645)	8.1
Repairs and maintenance	(23,847)	(22,598)	5.5	(47,415)	(43,774)	8.3
Fuel and electricity costs	(45,427)	(44,119)	3.0	(90,717)	(81,385)	11.5
Premises costs	(7,907)	(6,593)	19.9	(15,471)	(12,808)	20.8
Depreciation expense	(13,985)	(11,598)	20.6	(27,212)	(22,740)	19.7
Other operating expenses	(15,740)	(14,963)	5.2	(30,861)	(30,539)	1.1
Total operating expenses	(190,529)	(173,541)	9.8	(375,563)	(342,891)	9.5
Operating profit	5,683	12,109	(53.1)	11,926	26,706	(55.3)
Net income from investments	110	134	(17.9)	220	285	(22.8)
Finance costs	(544)	(423)	28.6	(1,029)	(845)	21.8
Profit before taxation	5,249	11,820	(55.6)	11,117	26,146	(57.5)
Taxation	(697)	(2,044)	(65.9)	(1,729)	(4,527)	(61.8)
Profit attributable to Shareholders	4,552	9,776	(53.4)	9,388	21,619	(56.6)

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

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

	Group					
	2nd Qtr 2012	2nd Qtr 2011	Incr/ (Decr)	1st Half 2012	1st Half 2011	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<i>After crediting :-</i>						
Net gain on disposal of vehicles and equipment	399	395	1.0	926	810	14.3

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Short-term deposits and bank balances	4,871	5,540	4,737	5,540
Trade receivables	8,741	10,385	8,741	10,385
Other receivables and prepayments	63,621	29,428	64,855	29,428
Inventories	30,792	30,347	30,792	30,347
Total current assets	108,025	75,700	109,125	75,700
Non-current assets				
Subsidiary	-	-	100	-
Available-for-sale investments	11,027	11,105	11,027	11,105
Vehicles, premises and equipment	734,271	657,977	734,216	657,977
Total non-current assets	745,298	669,082	745,343	669,082
Total assets	853,323	744,782	854,468	744,782
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	117,700	28,500	117,700	28,500
Trade and other payables	107,785	122,831	107,389	122,831
Trade payables for buses	52,183	20,099	52,183	20,099
Deposits received	2,806	2,286	2,806	2,286
Insurance premiums payable and provision for accident claims	31,744	32,938	31,744	32,938
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	1,475	1,462	1,475	1,462
Total current liabilities	333,685	228,108	333,289	228,108
Non-current liabilities				
Borrowings	100,000	100,000	100,000	100,000
Deposits received	3,515	2,984	3,515	2,984
Deferred tax liabilities	51,127	49,445	51,127	49,445
Provision for service benefits and long service awards	12,705	12,622	12,699	12,622
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	187,339	185,043	187,333	185,043
Capital and reserves				
Share capital	93,875	93,875	93,875	93,875
Capital reserves	1,872	2,024	1,872	2,024
Accumulated profits	236,552	235,732	238,099	235,732
Total equity	332,299	331,631	333,846	331,631
Total liabilities and equity	853,323	744,782	854,468	744,782

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	30 Jun	31 Dec
	2012	2011
	\$'000	\$'000
Unsecured		
Amount repayable in one year or less, or on demand	117,700	28,500
Amount repayable after one year	100,000	100,000
	217,700	128,500

Details of any collateral

Not applicable.

4 GROUP CASH FLOW STATEMENT

	Group			
	2nd Qtr 2012	2nd Qtr 2011	1st Half 2012	1st Half 2011
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	5,249	11,820	11,117	26,146
Adjustments for:				
Depreciation expense	13,985	11,598	27,212	22,740
Finance costs	544	423	1,029	845
Net gain on disposal of vehicles and equipment	(399)	(395)	(926)	(810)
Interest income	(110)	(134)	(220)	(285)
Operating cash flows before movements in working capital	19,269	23,312	38,212	48,636
Changes in working capital	(13,551)	26,995	(16,066)	7,143
Cash generated from operations	5,718	50,307	22,146	55,779
Income tax paid	(21)	(34)	(34)	(45)
Net cash from operating activities	5,697	50,273	22,112	55,734
Investing activities				
Interest received	221	245	221	306
Proceeds from disposal of vehicles and equipment	403	398	949	815
Purchase of vehicles, premises and equipment	(56,611)	(55,853)	(103,459)	(81,309)
Net cash used in investing activities	(55,987)	(55,210)	(102,289)	(80,188)
Financing activities				
Short term loans raised	60,700	-	89,200	-
Proceeds from share issue	-	126	-	705
Interest paid	(1,027)	(972)	(1,050)	(972)
Dividends paid	(8,642)	(13,268)	(8,642)	(13,268)
Others	-	38	-	46
Net cash from (used in) financing activities	51,031	(14,076)	79,508	(13,489)
Net increase (decrease) in cash and cash equivalents	741	(19,013)	(669)	(37,943)
Cash and cash equivalents at beginning of period	4,130	48,133	5,540	67,063
Cash and cash equivalents at end of period	4,871	29,120	4,871	29,120

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group					
	2nd Qtr 2012	2nd Qtr 2011	Incr/ (Decr)	1st Half 2012	1st Half 2011	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit attributable to Shareholders	4,552	9,776	(53.4)	9,388	21,619	(56.6)
Fair value adjustment on available-for-sale investments	(2)	86	NM	(78)	215	NM
Total comprehensive income attributable to Shareholders	4,550	9,862	(53.9)	9,310	21,834	(57.4)

NM - Not meaningful

6 STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Second Quarter and Half-Year ended 30 June 2012:

	Group			
	Attributable to Shareholders of the Company			
	Share capital \$'000	Capital reserves \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2012	93,875	2,024	235,732	331,631
Total comprehensive income (expense) for the period	-	(76)	4,836	4,760
Balance at 31 March 2012	93,875	1,948	240,568	336,391
Total comprehensive income (expense) for the period	-	(2)	4,552	4,550
Payment of dividends	-	-	(8,642)	(8,642)
Others	-	(74)	74	-
Balance at 30 June 2012	93,875	1,872	236,552	332,299
Balance at 1 January 2011	92,973	1,867	221,727	316,567
Total comprehensive income for the period	-	129	11,843	11,972
Exercise of share options	630	(51)	-	579
Others	-	(9)	17	8
Balance at 31 March 2011	93,603	1,936	233,587	329,126
Total comprehensive income for the period	-	86	9,776	9,862
Exercise of share options	138	(12)	-	126
Payment of dividends	-	-	(13,268)	(13,268)
Others	-	-	38	38
Balance at 30 June 2011	93,741	2,010	230,133	325,884

Statement of Changes in Equity of the Company for the Second Quarter and Half-Year ended 30 June 2012:

	Company			
	Share capital \$'000	Capital reserves \$'000	Accumulated profits \$'000	Total equity \$'000
	Balance at 1 January 2012	93,875	2,024	235,732
Total comprehensive income (expense) for the period	-	(76)	5,176	5,100
Balance at 31 March 2012	93,875	1,948	240,908	336,731
Total comprehensive income (expense) for the period	-	(2)	5,759	5,757
Payment of dividends	-	-	(8,642)	(8,642)
Others	-	(74)	74	-
Balance at 30 June 2012	93,875	1,872	238,099	333,846
Balance at 1 January 2011	92,973	1,867	221,727	316,567
Total comprehensive income for the period	-	129	11,843	11,972
Exercise of share options	630	(51)	-	579
Others	-	(9)	17	8
Balance at 31 March 2011	93,603	1,936	233,587	329,126
Total comprehensive income for the period	-	86	9,776	9,862
Exercise of share options	138	(12)	-	126
Payment of dividends	-	-	(13,268)	(13,268)
Others	-	-	38	38
Balance at 30 June 2011	93,741	2,010	230,133	325,884

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

Since 31 March 2012, no new ordinary shares were issued by the Company.

As at 30 June 2012, the total number of issued shares was 308,629,766 (31 December 2011: 308,629,766).

Outstanding Shares - SBS Transit Share Option Scheme

As at 30 June 2012, there were unexercised options for 8,173,750 (30 June 2011: 9,582,750) of unissued ordinary shares under the SBS Transit Share Option Scheme.

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 2011.

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 or after 1 January 2012. 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			
	2nd Qtr 2012	2nd Qtr 2011	1st Half 2012	1st Half 2011
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	1.47 cents	3.17 cents	3.04 cents	7.01 cents
(ii) On a fully diluted basis	1.47 cents	3.16 cents	3.04 cents	7.00 cents

EBITDA

	Group			
	2nd Qtr 2012	2nd Qtr 2011	1st Half 2012	1st Half 2011
(i) EBITDA (\$'000)	19,668	23,707	39,138	49,446
(ii) EBITDA margin (%)	10.0	12.8	10.1	13.4

13 NET ASSET VALUE PER ORDINARY SHARE

	The Group and The Company	
	30 Jun 2012	31 Dec 2011
Net asset value per ordinary share based on issued share capital at the end of the period/year	108 cents	107 cents

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group revenue of \$196.2m for 2Q12 increased by 5.7% or \$10.5m from \$185.7m in 2Q11 while Group operating expenses of \$190.5m increased by 9.8% or \$17.0m from \$173.5m in 2Q11.

Group operating profit of \$5.7m for 2Q12 was 53.1% or \$6.4m lower than that of \$12.1m in 2Q11.

Net income from investments of \$0.1m for 2Q12 was 17.9% lower than 2Q11.

Finance costs of \$0.5m for 2Q12 was 28.6% or \$0.1m higher than that of \$0.4m in 2Q11.

Consequently, Group profit before tax for 2Q12 of \$5.2m was 55.6% or \$6.6m lower than that of \$11.8m in 2Q11.

Taxation for 2Q12 of \$0.7m was lower by 65.9% or \$1.3m due mainly to the lower profits in 2Q12.

Group profit attributable to Shareholders of the Company for 2Q12 of \$4.6m was 53.4% or \$5.2m lower than that of \$9.8m in 2Q11.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Bus Operations for 2Q12 at \$149.2m was higher by 6.8% or \$9.6m compared to 2Q11 due to the increase in average daily ridership of 3.5%. Operating loss for 2Q12 of \$4.8m increased by \$3.3m from \$1.5m in 2Q11 due mainly to higher staff costs, higher depreciation, higher repairs and maintenance costs and higher fuel cost, offset by higher bus revenue.

Revenue from Rail Operations for 2Q12 at \$34.0m was higher by 2.1% or \$0.7m compared to 2Q11 due to the increase in average daily ridership, offset by the decrease in average fare. Average daily ridership for the North-East Line and the two Light Rail Transit systems went up by 6.2% and 21.3% respectively as compared to 2Q11. Operating profit for 2Q12 of \$1.9m decreased by 63.8% or \$3.4m as compared to \$5.3m in 2Q11 due mainly to higher staff costs largely from the start up of the Downtown Line, higher premises costs, higher electricity costs and higher other operating expenses, offset by higher rail fare revenue.

Revenue from Advertisement Business for 2Q12 increased marginally by 0.8% or \$0.1m to \$9.2m as compared to 2Q11. Operating profit for 2Q12 of \$5.9m increased by 2.8% or \$0.2m as compared to 2Q11 due mainly to lower staff costs.

Revenue from Rental Business for 2Q12 increased by 6.8% or \$0.2m to \$3.8m as compared to 2Q11 due mainly to higher income from roadshows at the interchanges. Consequently, operating profit for 2Q12 increased by 4.4% or \$0.1m to \$2.7m as compared to 2Q11.

Statement of Financial Position

As at 30 June 2012, total equity for the Group increased by 0.2% or \$0.7m to \$332.3m as compared to 31 December 2011 due mainly to the profits generated from operations, partially offset by payment of dividends.

Group total assets increased by 14.6% or \$108.5m to \$853.3m due to an increase in non-current assets of \$76.2m and current assets of \$32.3m. The increase in non-current assets was due mainly to the purchase of buses. The increase in current assets was due mainly to the increase in prepayments.

Group total liabilities increased by 26.1% or \$107.9m to \$521.0m due to an increase in current liabilities of \$105.6m and non-current liabilities of \$2.3m. The increase in current liabilities was due mainly to the increase in borrowings from banks and trade payables for buses, partially offset by the decrease in trade and other payables. The increase in non-current liabilities was due mainly to the increase in deferred tax liabilities.

Cash Flow

Net cash inflow of \$0.7m for 2Q12 was mainly from the borrowings from banks and the net cash generated from operations, partially offset by the purchase of buses and payment of dividends.

Group cash and cash equivalents as at 30 June 2012 was \$4.9m. If the available-for-sale investments were included, the cash position as at 30 June 2012 would be \$15.9m.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

With the weaker economic growth expected in 2nd Half 2012, Bus and Rail riderships are expected to increase at a slower rate. Advertising and Rental revenues are expected to be maintained.

Staff costs are expected to be higher due to salary adjustments and increases in foreign workers' levy. With the renewal and expansion of the bus fleet, depreciation is expected to increase. The Bus Segment is expected to be impacted more significantly by these cost increases and its outlook remains very difficult.

With the award of the tender to operate the Downtown Line, costs relating to its start up are being incurred from this year.

17 DIVIDEND

(a) Current Financial Period Reported On

Proposed interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	1.35 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Declared interim dividend

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	3.10 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The Directors have declared a tax-exempt one-tier interim dividend of 1.35 cents per ordinary share. The dividend will be payable on 30 August 2012.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 22 August 2012 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to 5.00pm on 21 August 2012 will be registered before Shareholders' entitlements to the interim dividend are determined.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares as at 5.00pm on 21 August 2012 will be entitled to the interim dividend.

18 GROUP SEGMENTAL INFORMATION

By Business Activity

	<u>Bus</u> \$'000	<u>Rail</u> \$'000	<u>Advertise- ments</u> \$'000	<u>Rental</u> \$'000	<u>Total</u> \$'000
<u>2nd Quarter 2012</u>					
Revenue	149,228	34,042	9,192	3,750	196,212
<u>Results</u>					
Segment results	(4,805)	1,913	5,895	2,680	5,683
Net income from investments					110
Finance costs					(544)
Profit before taxation					5,249
Taxation					(697)
Profit after taxation					<u>4,552</u>
<u>2nd Quarter 2011</u>					
Revenue	139,677	33,341	9,121	3,511	185,650
<u>Results</u>					
Segment results	(1,483)	5,289	5,736	2,567	12,109
Net income from investments					134
Finance costs					(423)
Profit before taxation					11,820
Taxation					(2,044)
Profit after taxation					<u>9,776</u>
<u>First Half 2012</u>					
Revenue	294,100	68,238	18,083	7,068	387,489
<u>Results</u>					
Segment results	(8,520)	3,743	11,735	4,968	11,926
Net income from investments					220
Finance costs					(1,029)
Profit before taxation					11,117
Taxation					(1,729)
Profit after taxation					<u>9,388</u>
<u>First Half 2011</u>					
Revenue	278,263	65,820	18,478	7,036	369,597
<u>Results</u>					
Segment results	(980)	10,973	11,625	5,088	26,706
Net income from investments					285
Finance costs					(845)
Profit before taxation					26,146
Taxation					(4,527)
Profit after taxation					<u>21,619</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 Second Quarter 2012 financial results to be false or misleading in any material aspects.

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

10 August 2012