



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

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**Third Quarter 2018 Financial Statements**

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The Board of Directors announces the unaudited results for the Third Quarter and 9 Months ended 30 September 2018.

**1 GROUP INCOME STATEMENT**

	Group					
	3rd Qtr 2018	3rd Qtr 2017	Incr/ (Decr)	9 Months 2018	9 Months 2017	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	351,366	294,999	19.1	1,024,463	866,230	18.3
Staff costs	174,950	153,879	13.7	519,518	463,260	12.1
Repairs and maintenance costs	45,332	38,566	17.5	131,220	104,497	25.6
Fuel and electricity costs	47,594	32,661	45.7	129,970	93,518	39.0
Premises costs	16,799	14,373	16.9	47,309	41,326	14.5
Depreciation expense	23,002	24,268	(5.2)	70,269	72,638	(3.3)
Other operating costs	19,737	17,237	14.5	57,877	47,774	21.1
Total operating costs	<u>327,414</u>	<u>280,984</u>	16.5	<u>956,163</u>	<u>823,013</u>	16.2
<b>Operating profit</b>	23,952	14,015	70.9	68,300	43,217	58.0
Net income from investments	96	61	57.4	216	181	19.3
Finance costs	(831)	(1,143)	(27.3)	(2,786)	(3,496)	(20.3)
<b>Profit before taxation</b>	<u>23,217</u>	<u>12,933</u>	79.5	<u>65,730</u>	<u>39,902</u>	64.7
Taxation	(3,498)	(1,821)	92.1	(9,821)	(5,848)	67.9
<b>Profit attributable to shareholders</b>	<u><u>19,719</u></u>	<u><u>11,112</u></u>	77.5	<u><u>55,909</u></u>	<u><u>34,054</u></u>	64.2

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Sep 2018 \$'000	31 Dec 2017 \$'000	30 Sep 2018 \$'000	31 Dec 2017 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	8,112	5,275	5,354	4,028
Investments	5,007	5,134	5,007	5,134
Trade receivables	132,291	122,582	128,617	119,470
Other receivables and prepayments	70,806	31,701	273,544	199,599
Inventories	111,728	94,012	94,867	82,997
<b>Total current assets</b>	<b>327,944</b>	<b>258,704</b>	<b>507,389</b>	<b>411,228</b>
<b>Non-current assets</b>				
Subsidiary	-	-	5,000	5,000
Prepayments	4,640	2,537	4,184	2,506
Vehicles, premises and equipment	717,172	803,844	698,042	783,821
Deferred tax assets	28,081	22,737	-	-
<b>Total non-current assets</b>	<b>749,893</b>	<b>829,118</b>	<b>707,226</b>	<b>791,327</b>
<b>Total assets</b>	<b>1,077,837</b>	<b>1,087,822</b>	<b>1,214,615</b>	<b>1,202,555</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	56,500	56,000	56,500	56,000
Trade and other payables	271,732	272,302	235,276	240,764
Deposits received	2,802	3,648	2,408	3,271
Insurance premiums payable and provision for accident claims	20,410	21,965	20,410	21,965
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	30,931	9,309	30,931	9,309
<b>Total current liabilities</b>	<b>402,367</b>	<b>383,216</b>	<b>365,517</b>	<b>351,301</b>
<b>Non-current liabilities</b>				
Borrowings	75,000	125,000	75,000	125,000
Deferred grants	6,480	6,958	6,480	6,958
Deposits received	6,718	5,600	5,485	4,390
Deferred tax liabilities	80,625	87,112	80,625	87,112
Provision for service benefits and long service awards	10,775	10,718	10,507	10,496
Fuel price equalisation account	19,992	19,992	19,992	19,992
<b>Total non-current liabilities</b>	<b>199,590</b>	<b>255,380</b>	<b>198,089</b>	<b>253,948</b>
<b>Total liabilities</b>	<b>601,957</b>	<b>638,596</b>	<b>563,606</b>	<b>605,249</b>
<b>Capital and reserves</b>				
Share capital	100,163	98,873	100,163	98,873
Other reserves	40,326	40,522	40,326	40,522
Accumulated profits	335,391	309,831	510,520	457,911
<b>Total equity</b>	<b>475,880</b>	<b>449,226</b>	<b>651,009</b>	<b>597,306</b>
<b>Total liabilities and equity</b>	<b>1,077,837</b>	<b>1,087,822</b>	<b>1,214,615</b>	<b>1,202,555</b>

**3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS**

	<b>30 Sep 2018</b>	<b>31 Dec 2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	56,500	56,000
Amount repayable after one year	75,000	125,000
	<u>131,500</u>	<u>181,000</u>

**Details of any collateral**

Not applicable.

#### 4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2018 \$'000	3rd Qtr 2017 \$'000	9 Months 2018 \$'000	9 Months 2017 \$'000
<b>Operating activities</b>				
Profit before taxation	23,217	12,933	65,730	39,902
Adjustments for:				
Depreciation expense	23,002	24,268	70,269	72,638
Finance costs	831	1,143	2,786	3,496
Net (gain) loss on disposal of vehicles and equipment	(53)	120	(116)	98
Interest income	(96)	(61)	(216)	(181)
Provision for service benefits and long service awards	205	215	608	367
Insurance premiums payable and provision for accident claims	803	834	2,315	728
Operating cash flows before movements in working capital	47,909	39,452	141,376	117,048
Changes in working capital	2,608	23,112	(71,529)	(69,536)
Cash generated from operations	50,517	62,564	69,847	47,512
Income tax paid	(13)	(416)	(30)	(1,111)
Net cash from operating activities	50,504	62,148	69,817	46,401
<b>Investing activities</b>				
Interest received	35	-	156	121
Proceeds from disposal of vehicles and equipment	72	145	27,838	288
Purchase of vehicles, premises and equipment	(4,995)	(11,021)	(13,422)	(22,006)
Net cash (used in) from investing activities	(4,888)	(10,876)	14,572	(21,597)
<b>Financing activities</b>				
New loans raised	121,000	253,500	461,300	658,100
Repayment of borrowings	(146,000)	(291,500)	(510,800)	(659,600)
Proceeds from share issue	-	327	1,228	1,487
Interest paid	(977)	(1,840)	(2,924)	(4,169)
Dividends paid	(18,077)	(11,352)	(30,375)	(19,742)
Others	8	9	19	28
Net cash used in financing activities	(44,046)	(50,856)	(81,552)	(23,896)
Net increase in cash and cash equivalents	1,570	416	2,837	908
Cash and cash equivalents at beginning of period	6,542	4,746	5,275	4,254
<b>Cash and cash equivalents at end of period</b>	<b>8,112</b>	<b>5,162</b>	<b>8,112</b>	<b>5,162</b>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	<b>Group</b>			
	<b>3rd Qtr</b>	<b>3rd Qtr</b>	<b>9 Months</b>	<b>9 Months</b>
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Profit attributable to shareholders</b>	19,719	11,112	55,909	34,054
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value adjustment on cash flow hedges	-	1,294	-	1,539
Fair value adjustment on investments	(39)	(53)	(127)	(83)
<b>Total comprehensive income attributable to shareholders</b>	<u>19,680</u>	<u>12,353</u>	<u>55,782</u>	<u>35,510</u>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended 30 September 2018:

	Group			
	Attributable to shareholders of the Company			
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
<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	-	-	36,190	36,190
Other comprehensive expense for the period	-	(88)	-	(88)
<b>Total</b>	-	(88)	36,190	36,102
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,290	(62)	-	1,228
Payment of dividends	-	-	(12,298)	(12,298)
Other reserves	-	(7)	18	11
<b>Total</b>	1,290	(69)	(12,280)	(11,059)
<b>Balance at 30 June 2018</b>	100,163	40,365	333,741	474,269
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	19,719	19,719
Other comprehensive expense for the period	-	(39)	-	(39)
<b>Total</b>	-	(39)	19,719	19,680
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(18,077)	(18,077)
Other reserves	-	-	8	8
<b>Total</b>	-	-	(18,069)	(18,069)
<b>Balance at 30 September 2018</b>	100,163	40,326	335,391	475,880

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended  
30 September 2017:

	<b>Group</b>			
	<b>Attributable to shareholders of the Company</b>			
	<b>Share capital \$'000</b>	<b>Other reserves \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2017</b>	97,138	38,566	282,281	417,985
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	22,942	22,942
Other comprehensive income for the period	-	215	-	215
<b>Total</b>	<b>-</b>	<b>215</b>	<b>22,942</b>	<b>23,157</b>
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,233	(73)	-	1,160
Payment of dividends	-	-	(8,390)	(8,390)
Other reserves	-	(136)	155	19
<b>Total</b>	<b>1,233</b>	<b>(209)</b>	<b>(8,235)</b>	<b>(7,211)</b>
<b>Balance at 30 June 2017</b>	98,371	38,572	296,988	433,931
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	11,112	11,112
Other comprehensive income for the period	-	1,241	-	1,241
<b>Total</b>	<b>-</b>	<b>1,241</b>	<b>11,112</b>	<b>12,353</b>
<b>Transactions recognised directly in equity</b>				
Exercise of share options	342	(15)	-	327
Payment of dividends	-	-	(11,352)	(11,352)
Other reserves	-	-	9	9
<b>Total</b>	<b>342</b>	<b>(15)</b>	<b>(11,343)</b>	<b>(11,016)</b>
<b>Balance at 30 September 2017</b>	98,713	39,798	296,757	435,268

Statement of Changes in Equity of the Company for the Third Quarter and 9 Months ended 30 September 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	-	-	54,629	54,629
Other comprehensive expense for the period	-	(88)	-	(88)
<b>Total</b>	-	(88)	54,629	54,541
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,290	(62)	-	1,228
Payment of dividends	-	-	(12,298)	(12,298)
Other reserves	-	(7)	18	11
<b>Total</b>	1,290	(69)	(12,280)	(11,059)
<b>Balance at 30 June 2018</b>	100,163	40,365	500,260	640,788
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	28,329	28,329
Other comprehensive expense for the period	-	(39)	-	(39)
<b>Total</b>	-	(39)	28,329	28,290
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(18,077)	(18,077)
Other reserves	-	-	8	8
<b>Total</b>	-	-	(18,069)	(18,069)
<b>Balance at 30 September 2018</b>	100,163	40,326	510,520	651,009



Statement of Changes in Equity of the Company for the Third Quarter and 9 Months ended 30 September 2017:

	<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 2017</b>	97,138	38,566	382,806	518,510
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	42,654	42,654
Other comprehensive income for the period	-	215	-	215
<b>Total</b>	-	215	42,654	42,869
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,233	(73)	-	1,160
Payment of dividends	-	-	(8,390)	(8,390)
Other reserves	-	(136)	155	19
<b>Total</b>	1,233	(209)	(8,235)	(7,211)
<b>Balance at 30 June 2017</b>	98,371	38,572	417,225	554,168
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	23,375	23,375
Other comprehensive income for the period	-	1,241	-	1,241
<b>Total</b>	-	1,241	23,375	24,616
<b>Transactions recognised directly in equity</b>				
Exercise of share options	342	(15)	-	327
Payment of dividends	-	-	(11,352)	(11,352)
Other reserves	-	-	9	9
<b>Total</b>	342	(15)	(11,343)	(11,016)
<b>Balance at 30 September 2017</b>	98,713	39,798	429,257	567,768

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

### Share Capital

Since 30 June 2018, no new ordinary shares were issued by the Company.

As at 30 September 2018, the total number of issued shares was 311,669,766 (31 December 2017: 311,084,766).

### 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 2018, there were unexercised options for 382,500 (30 September 2017: 1,110,000) of unissued ordinary shares under the SBS Transit Share Option Scheme.

As at 30 September 2018, 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 2017.

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards on 1 January 2018.

The adoption of all the new and revised SFRS(I) 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 2018</b>	<b>3rd Qtr 2017</b>	<b>9 Months 2018</b>	<b>9 Months 2017</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)	6.33	3.57	17.96	10.96
(ii) On a fully diluted basis (cents)	6.32	3.57	17.95	10.95

EBITDA

	<b>Group</b>			
	<b>3rd Qtr 2018</b>	<b>3rd Qtr 2017</b>	<b>9 Months 2018</b>	<b>9 Months 2017</b>
(i) EBITDA (\$'000)	46,954	38,283	138,569	115,855
(ii) EBITDA margin (%)	13.4	13.0	13.5	13.4

**13 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep 2018</b>	<b>31 Dec 2017</b>	<b>30 Sep 2018</b>	<b>31 Dec 2017</b>
Net asset value per ordinary share based on issued share capital at the end of the period/year (dollars)	1.53	1.44	2.09	1.90

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$351.4m for 3Q18 increased by 19.1% or \$56.4m from \$295.0m for 3Q17 while Group operating costs of \$327.4m increased by 16.5% or \$46.4m from \$281.0m for 3Q17.

Group operating profit of \$24.0m for 3Q18 was 70.9% or \$10.0m higher than that of \$14.0m for 3Q17.

Finance costs of \$0.8m for 3Q18 were 27.3% or \$0.3m lower than that of \$1.1m for 3Q17.

Consequently, Group profit before taxation of \$23.2m for 3Q18 was 79.5% or \$10.3m higher than that of \$12.9m for 3Q17.

Taxation of \$3.5m for 3Q18 was higher than that of \$1.8m for 3Q17 by 92.1% or \$1.7m due mainly to higher profits for 3Q18.

Group profit attributable to shareholders of the Company of \$19.7m for 3Q18 was 77.5% or \$8.6m higher than that of \$11.1m for 3Q17.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Public Transport Services of \$337.9m for 3Q18 was higher by 20.5% or \$57.4m compared to \$280.5m for 3Q17 due mainly to higher fees earned with higher operated mileage following the commencement of the Seletar Bus Package in March 2018 and higher ridership from rail services with the commencement of Downtown Line (DTL) 3 from October 2017, offset by lower average rail fare from the fare reduction effective 29 December 2017. For 3Q18, average daily ridership for the Downtown Line (DTL) grew by 82.9% to 472k passenger trips. Average daily ridership for North-East Line (NEL) grew by 3.9% to 608k passenger trips and that for Sengkang and Punggol Light Rail Transit (SPLRT) by 11.2% to 136k passenger trips as compared to that of 3Q17. Operating profit for 3Q18 at \$15.5m increased by \$9.7m from \$5.8m for 3Q17 due mainly to higher revenue, offset by higher staff costs, higher fuel and electricity costs, higher repairs and maintenance costs and higher other operating costs. Despite the increase in rail ridership, rail operations continue to incur losses as the fare revenue was not sufficient to cover rising operating and maintenance costs.

Revenue from Other Commercial Services of \$13.4m for 3Q18 was lower by 7.7% or \$1.1m compared to \$14.5m for 3Q17 due mainly to lower advertising revenue. Operating profit for 3Q18 at \$8.4m increased by 3.1% or \$0.2m as compared to \$8.2m for 3Q17 due mainly to lower staff costs, lower premises costs and lower other operating costs, offset by lower revenue.

## **Statement of Financial Position**

As at 30 September 2018, total equity increased by 5.9% or \$26.7m to \$475.9m as compared to 31 December 2017 due mainly to profits generated from operations, partially offset by payment of dividends.

Group total assets decreased by 0.9% or \$10.0m to \$1,077.8m due to a decrease in non-current assets of \$79.2m, partially offset by an increase in current assets of \$69.2m. The decrease in non-current assets was due mainly to the decrease in vehicles, premises and equipment from depreciation expenses incurred for the period and the sale of certain rail operating assets to Land Transport Authority in conjunction with the NEL/SPLRT transition to the New Rail Financing Framework (NRFF), partially offset by the increase in deferred tax assets. The increase in current assets was due mainly to the increase in trade and other receivables and inventories.

Group total liabilities decreased by 5.7% or \$36.6m to \$602.0m due to a decrease in non-current liabilities of \$55.8m, partially offset by an increase in current liabilities of \$19.2m. The decrease in non-current liabilities was due mainly to the repayment of borrowings and the decrease in deferred tax liabilities. The increase in current liabilities was due mainly to the increase in income tax payable, partially offset by the decrease in insurance premiums payable.

## **Cash Flow**

The net cash inflow of \$1.6m for 3Q18 was mainly from the new loans raised and net cash generated from operations, partially offset by repayment of borrowings, dividends and interest paid and the purchase of vehicles, premises and equipment.

As at 30 September 2018, the Group had cash and bank balances of \$8.1m. After accounting for the borrowings of \$131.5m, the Group had a net debt position of \$123.4m and a net gearing ratio of 25.9% which was lower than that of 39.1% as at 31 December 2017. The Group's gross gearing ratio was 27.6% as at 30 September 2018 compared to 40.3% as at 31 December 2017.

## **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 grow.

Bus service revenue is expected to be higher with the commencement of the Seletar Bus Package from 11 March 2018 and the Bukit Merah Bus Package in the fourth quarter of 2018.

Rail service revenue is expected to be higher due to full year of revenue contribution from DTL 3. The fare adjustment of 4.3% approved by the Public Transport Council will take effect from 29 December 2018. Notwithstanding this, the rail business will continue to face challenges from rising operating and maintenance costs.

Revenue from Other Commercial Services is expected to be maintained.

Meanwhile, operating costs will increase with higher staff costs following salary adjustments and increments to retain and attract staff, and higher training investments for staff skill development and advancement. Repairs and maintenance costs are expected to increase with DTL fully operational and higher maintenance requirements for the ageing bus fleet and the NEL/SPLRT fleet in its mid life cycle, and investments in predictive maintenance capabilities. Premises costs are higher with the full year effect of DTL 3 stations and the additions of Seletar and Ulu Pandan Bus Depots.

## 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

	<b>Public Transport Services</b>	<b>Other Commerical Services</b>	<b>Total</b>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
<b><u>3rd Quarter 2018</u></b>			
Revenue	337,937	13,429	351,366
<b><u>Results</u></b>			
Segment results	15,518	8,434	23,952
Net income from investments			96
Finance costs			(831)
Profit before taxation			<u>23,217</u>
Taxation			(3,498)
Profit after taxation			<u><u>19,719</u></u>
<b><u>3rd Quarter 2017</u></b>			
Revenue	280,450	14,549	294,999
<b><u>Results</u></b>			
Segment results	5,837	8,178	14,015
Net income from investments			61
Finance costs			(1,143)
Profit before taxation			<u>12,933</u>
Taxation			(1,821)
Profit after taxation			<u><u>11,112</u></u>
<b><u>9 Months 2018</u></b>			
Revenue	981,306	43,157	1,024,463
<b><u>Results</u></b>			
Segment results	39,828	28,472	68,300
Net income from investments			216
Finance costs			(2,786)
Profit before taxation			<u>65,730</u>
Taxation			(9,821)
Profit after taxation			<u><u>55,909</u></u>
<b><u>9 Months 2017</u></b>			
Revenue	824,312	41,918	866,230
<b><u>Results</u></b>			
Segment results	17,164	26,053	43,217
Net income from investments			181
Finance costs			(3,496)
Profit before taxation			<u>39,902</u>
Taxation			(5,848)
Profit after taxation			<u><u>34,054</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 Third Quarter 2018 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/Yeo Tee Yeok, Edwin  
Joint Company Secretaries

8 November 2018