

Second Quarter 2009 Financial Statements and Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

The Board of Directors announces the results of the Group for the Second Quarter and Half-Year ended 30 June 2009. These figures have not been audited.

1(a)(i) An income statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	2nd Qtr	2nd Qtr	Incr/	1st Half	1st Half	Incr/
	2009	2008	(Decr)	2009	2008	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	168,898	180,813	(6.6)	348,520	357,810	(2.6)
Staff costs	(71,186)	(70,683)	0.7	(143,848)	(141,237)	1.8
Repairs and maintenance	(24,005)	(21,953)	9.3	(46,411)	(42,809)	8.4
Fuel and electricity costs	(28,822)	(52,236)	(44.8)	(60,824)	(92,062)	(33.9)
Premises costs	(6,899)	(7,451)	(7.4)	(14,805)	(14,596)	1.4
Depreciation expense	(9,511)	(7,202)	32.1	(18,614)	(15,355)	21.2
Other operating expenses	(12,665)	(14,414)	(12.1)	(27,573)	(27,450)	0.4
Total operating expenses	(153,088)	(173,939)	(12.0)	(312,075)	(333,509)	(6.4)
Operating profit	15,810	6,874	130.0	36,445	24,301	50.0
Net income from investments	206	859	(76.0)	461	1,930	(76.1)
Share of profit in associate	145	160	(9.4)	284	301	(5.6)
Profit before taxation	16,161	7,893	104.8	37,190	26,532	40.2
Taxation	(2,630)	(1,507)	74.5	(4,874)	(4,850)	0.5
Profit attributable to shareholders	13,531	6,386	111.9	32,316	21,682	49.0

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

1(a)(ii) Included in the determination of net profit are the following items :-

	Group					
	2nd Qtr	2nd Qtr	Incr/	1st Half	1st Half	Incr/
	2009	2008	(Decr)	2009	2008	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<i>After crediting :-</i>						
Write-back of deferred tax	-	-	-	1,240	-	NM

NM - Not meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Jun 2009 \$'000	31 Dec 2008 \$'000	30 Jun 2009 \$'000	31 Dec 2008 \$'000
ASSETS				
Current assets				
Short-term deposits and bank balances	42,963	32,853	42,963	32,853
Investments - current portion	-	37,022	-	37,022
Trade receivables	6,774	6,964	6,774	6,964
Other receivables and prepayments	25,997	30,508	25,997	30,508
Inventories	29,373	26,812	29,373	26,812
Total current assets	105,107	134,159	105,107	134,159
Non-current assets				
Associate	1,552	1,268	1,280	1,280
Investments	14,535	14,480	14,535	14,480
Vehicles, premises and equipment	424,562	366,555	424,562	366,555
Total non-current assets	440,649	382,303	440,377	382,315
Total assets	545,756	516,462	545,484	516,474
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	152,189	150,065	152,189	150,065
Deposits received - current portion	1,647	1,668	1,647	1,668
Insurance premiums payable and provision for accident claims	34,247	33,423	34,247	33,423
Fuel price equalisation account	34,075	34,075	34,075	34,075
Income tax payable	3,906	2,973	3,906	2,973
Total current liabilities	226,064	222,204	226,064	222,204
Non-current liabilities				
Deposits received	1,935	1,763	1,935	1,763
Deferred tax liabilities	26,825	23,010	26,825	23,010
Provision for service benefits and long service awards	12,263	12,237	12,263	12,237
Total non-current liabilities	41,023	37,010	41,023	37,010
Capital and reserves				
Share capital	92,310	92,310	92,310	92,310
Capital reserves	430	263	430	263
Accumulated profits	185,929	164,675	185,657	164,687
Total equity	278,669	257,248	278,397	257,260
Total liabilities and equity	545,756	516,462	545,484	516,474

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

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Not applicable.

Details of any collateral.

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated cash flow statement for the Second Quarter and Half-Year ended 30 June 2009:

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	16,161	7,893	37,190	26,532
Adjustments for:				
Depreciation expense	9,511	7,202	18,614	15,355
Share-based payment expense	63	72	130	156
Net (gain) loss on disposal of investments - current portion	-	(105)	5	(168)
Net loss (gain) on fair value changes of investments - current portion	-	43	(1)	(60)
Net gain on disposal of vehicles and equipment	(172)	(383)	(666)	(746)
Interest income	(206)	(797)	(465)	(1,702)
Share of profit in associate	(145)	(160)	(284)	(301)
Operating cash flows before movements in working capital	<u>25,212</u>	<u>13,765</u>	<u>54,523</u>	<u>39,066</u>
Changes in working capital	29,158	84,294	35,228	63,930
Cash generated from operations	<u>54,370</u>	<u>98,059</u>	<u>89,751</u>	<u>102,996</u>
Income tax paid	(88)	(4,039)	(126)	(4,209)
Net cash from operating activities	<u>54,282</u>	<u>94,020</u>	<u>89,625</u>	<u>98,787</u>
Investing activities				
Interest received	326	1,140	1,094	2,500
Proceeds from disposal of:				
Vehicles and equipment	182	420	699	784
Investments - current portion	5,000	-	5,000	5,000
Purchase of vehicles, premises and equipment	(51,771)	(56,303)	(75,246)	(76,635)
Net cash used in investing activities	<u>(46,263)</u>	<u>(54,743)</u>	<u>(68,453)</u>	<u>(68,351)</u>
Financing activities				
Proceeds from share issue	-	739	-	964
Dividends paid	(11,078)	(9,999)	(11,078)	(9,999)
Others	16	-	16	-
Net cash used in financing activities	<u>(11,062)</u>	<u>(9,260)</u>	<u>(11,062)</u>	<u>(9,035)</u>
Net (decrease) increase in cash and cash equivalents	(3,043)	30,017	10,110	21,401
Cash and cash equivalents at beginning of period	<u>46,006</u>	<u>34,110</u>	<u>32,853</u>	<u>42,726</u>
Cash and cash equivalents at end of period	<u><u>42,963</u></u>	<u><u>64,127</u></u>	<u><u>42,963</u></u>	<u><u>64,127</u></u>

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

1(d) Consolidated statements of comprehensive income for the Second Quarter and Half-Year ended 30 June 2009:

	Group					
	2nd Qtr 2009	2nd Qtr 2008	Incr/ (Decr)	1st Half 2009	1st Half 2008	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Profit attributable to shareholders	13,531	6,386	111.9	32,316	21,682	49.0
Fair value gain (loss) on investments	700	(899)	NM	37	(917)	NM
Total comprehensive income attributable to shareholders	<u>14,231</u>	<u>5,487</u>	<u>159.4</u>	<u>32,353</u>	<u>20,765</u>	<u>55.8</u>

NM - Not meaningful

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of changes in equity for the Second Quarter and Half-Year ended 30 June 2009:

	Group			
	Attributable to shareholders of the Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	91,324	954	143,260	235,538
Total comprehensive income for the period	-	(18)	15,296	15,278
Recognition of share-based payments	-	84	-	84
Exercise of share options	229	(4)	-	225
Others	-	(6)	6	-
Balance at 31 March 2008	91,553	1,010	158,562	251,125
Total comprehensive income for the period	-	(899)	6,386	5,487
Recognition of share-based payments	-	72	-	72
Exercise of share options	757	(18)	-	739
Payment of dividends	-	-	(9,999)	(9,999)
Balance at 30 June 2008	<u>92,310</u>	<u>165</u>	<u>154,949</u>	<u>247,424</u>
Balance at 1 January 2009	92,310	263	164,675	257,248
Total comprehensive income for the period	-	(663)	18,785	18,122
Recognition of share-based payments	-	67	-	67
Balance at 31 March 2009	92,310	(333)	183,460	275,437
Total comprehensive income for the period	-	700	13,531	14,231
Recognition of share-based payments	-	63	-	63
Payment of dividends	-	-	(11,078)	(11,078)
Others	-	-	16	16
Balance at 30 June 2009	<u>92,310</u>	<u>430</u>	<u>185,929</u>	<u>278,669</u>

Statement of changes in equity of the Company for the Second Quarter and Half-Year ended 30 June 2009:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	91,324	954	143,576	235,854
Total comprehensive income for the period	-	(18)	15,155	15,137
Recognition of share-based payments	-	84	-	84
Exercise of share options	229	(4)	-	225
Others	-	(6)	6	-
Balance at 31 March 2008	91,553	1,010	158,737	251,300
Total comprehensive income for the period	-	(899)	6,226	5,327
Recognition of share-based payments	-	72	-	72
Exercise of share options	757	(18)	-	739
Payment of dividends	-	-	(9,999)	(9,999)
Balance at 30 June 2008	92,310	165	154,964	247,439
Balance at 1 January 2009	92,310	263	164,687	257,260
Total comprehensive income for the period	-	(663)	18,646	17,983
Recognition of share-based payments	-	67	-	67
Balance at 31 March 2009	92,310	(333)	183,333	275,310
Total comprehensive income for the period	-	700	13,386	14,086
Recognition of share-based payments	-	63	-	63
Payment of dividends	-	-	(11,078)	(11,078)
Others	-	-	16	16
Balance at 30 June 2009	92,310	430	185,657	278,397

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 31 March 2009, no new ordinary shares were issued by the Company.

As at 30 June 2009, there were unexercised options for 12,138,750 (30 June 2008: 9,755,750) of unissued ordinary shares under the SBS Transit Share Option Scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30 June 2009, the total number of issued shares was 307,720,516 (31 December 2008: 307,720,516).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

Not applicable.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

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 as at 31 December 2008.

In this current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2009. The adoption of these new/revised FRSs and INT 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 except for FRS 1 - Presentation of Financial Statements (Revised) which changes the basis for presentation and structure of the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share and earnings before interest, taxation, depreciation and amortisation (EBITDA) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share

	<u>Group</u>			
	<u>2nd Qtr 2009</u>	<u>2nd Qtr 2008</u>	<u>1st Half 2009</u>	<u>1st Half 2008</u>
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	4.40 cents	2.08 cents	10.50 cents	7.05 cents
(ii) On a fully diluted basis	4.40 cents	2.07 cents	10.50 cents	7.04 cents

EBITDA

	<u>Group</u>			
	<u>2nd Qtr 2009</u>	<u>2nd Qtr 2008</u>	<u>1st Half 2009</u>	<u>1st Half 2008</u>
(i) EBITDA (\$'000)	25,321	14,076	55,059	39,656
(ii) EBITDA margin (%)	15.0	7.8	15.8	11.1

7. Net asset value (for the issuer and group) per ordinary share based on the issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net asset value per ordinary share based on issued share capital at the end of the period / year	91 cents	84 cents	90 cents	84 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

8(a) Review of Performance

Group revenue of \$168.9m for 2Q09 decreased by 6.6% or \$11.9m as compared to \$180.8m in 2Q08 due mainly to lower bus fare revenue.

Operating expenses of \$153.1m for 2Q09 decreased by 12.0% or \$20.8m as compared to \$173.9m in 2Q08 due to lower fuel and electricity costs, savings from the Singapore Government Budget 2009 and lower other operating expenses, partially offset by higher depreciation and repairs and maintenance expenses.

Group operating profit of \$15.8m for 2Q09 was 130.0% or \$8.9m higher than that of \$6.9m in 2Q08.

Net income from investments of \$0.2m for 2Q09 was 76.0% or \$0.7m lower than that of \$0.9m in 2Q08 due mainly to lower interest income.

Consequently, Group profit before tax of \$16.2m for 2Q09 was 104.8% or \$8.3m higher than that of \$7.9m in 2Q08.

Taxation of \$2.6m for 2Q09 was \$1.1m higher than 2Q08 due mainly to higher profits generated.

Group profit attributable to shareholders of the Company of \$13.5m for 2Q09 was 111.9% or \$7.1m higher than that of \$6.4m in 2Q08.

A segmental breakdown by business is provided under paragraph 13.

Revenue from Bus Operations at \$132.5m was lower by 7.4% or \$10.5m due mainly to the temporary fare reduction coupled with an increase in transfer rebate with effect from 1 April 2009 and the decrease in ridership of 2.1% in 2Q09 as compared to 2Q08. Operating profit from Bus Operations increased by \$9.1m from a loss of \$3.1m in 2Q08 to an operating profit of \$6.0m in 2Q09 due mainly to lower fuel cost, partially offset by lower bus fare revenue and higher depreciation.

Revenue from Rail Operations for 2Q09 at \$26.3m increased by 1.1% or \$0.3m as compared to \$26.0m in 2Q08 due mainly to higher ridership, partially offset by the temporary fare reduction and increase in transfer rebate with effect from 1 April 2009. Ridership for North-East Line and the two light rail transit systems went up by 6.3% and 5.8% respectively as compared to 2Q08. Operating profit from Rail Operations of \$3.3m was better by 57.8% or \$1.2m as compared to \$2.1m in 2Q08 due mainly to lower electricity cost, partially offset by higher repairs and maintenance expenses.

Revenue from Advertisement Business for 2Q09 was lower by 27.6% or \$2.4m to \$6.4m as compared to \$8.8m in 2Q08 due mainly to weaker demand for bus body advertisements. Consequently, operating profit from Advertisement Business for 2Q09 decreased by 35.3% or \$2.0m to \$3.7m as compared to 2Q08.

Revenue from Rental Business for 2Q09 increased by 26.1% or \$0.8m to \$3.8m as compared to 2Q08 due mainly to increase in demand for roadshow space at the bus interchanges. Operating profit from Rental Business for 2Q09 increased by 31.8% or \$0.7m to \$2.8m as compared to 2Q08.

8(b)(i) Commentary on Balance Sheet

As at 30 June 2009, total equity for the Group increased by 8.3% or \$21.4m to \$278.7m as compared to 31 December 2008 due mainly to profits generated from operations, partially offset by payment of dividends.

Group total assets increased by 5.7% or \$29.3m to \$545.8m due mainly to profits generated from operations.

Group total liabilities increased by 3.0% or \$7.9m to \$267.1m due mainly to higher accrual for work done on buses.

8(b)(ii) Commentary on Cash Flow

Net cash outflow of \$3.0m for 2Q09 arose mainly from the purchase of buses and payment of dividends, partially offset by net cash generated from operations and proceeds from the redemption of investments - current portion.

Group cash and cash equivalents as at 30 June 2009 was \$43.0m. If the investments were to be included, the cash position as at 30 June 2009 would be \$57.5m.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Bus revenue is expected to be lower due to the temporary fare reduction and increase in transfer rebate which were effective from 1 April 2009 and expected lower ridership. Rail revenue is expected to be higher as ridership is expected to continue to increase offset by the temporary fare reduction and increase in transfer rebate. Revenue from Rental is expected to be better than last year due to new shops earning a full year revenue. Advertising will continue to face challenging business conditions.

In order to meet the tighter Quality of Service standards for bus scheduled peak headways effective from August 2009, additional costs have to be incurred. Repairs and maintenance expenses are expected to be higher due to enhanced grooming and overhaul and maintenance of buses and trains. Depreciation expense is expected to increase with the addition of buses to renew the fleet. Fuel and electricity costs will be lower than last year if fuel prices remain at the current levels.

11. Dividend

(a) Current Financial Period Reported On

Any dividend proposed for the current financial period reported on? Yes.

Name of Dividend	One-tier tax-exempt Interim
Dividend Type	Cash
Dividend Amount per ordinary share	4.50 cents
Tax Rate	-

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Declared interim dividend

Name of Dividend	One-tier tax-exempt Interim
Dividend Type	Cash
Dividend Amount per ordinary share	3.00 cents
Tax Rate	-

(c) Date Payable

The Directors have declared a one-tier tax-exempt interim dividend of 4.50 cents per ordinary share. The dividend will be payable on 7 September 2009.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 28 August 2009 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 27 August 2009 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 27 August 2009 will be entitled to the interim dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Group segmental information for the Second Quarter and Half-Year ended 30 June 2009:

By Business Activity

	<u>Bus</u>	<u>Rail</u>	<u>Advertise- ments</u>	<u>Rental</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
<u>Second Quarter 2009</u>					
Revenue	132,505	26,260	6,367	3,766	168,898
<u>Results</u>					
Segment results	6,007	3,323	3,708	2,772	15,810
Net income from investments					206
Share of profit in associate					145
Profit before taxation					16,161
Taxation					(2,630)
Profit after taxation					<u>13,531</u>
<u>Second Quarter 2008</u>					
Revenue	143,042	25,987	8,797	2,987	180,813
<u>Results</u>					
Segment results	(3,063)	2,106	5,728	2,103	6,874
Net income from investments					859
Share of profit in associate					160
Profit before taxation					7,893
Taxation					(1,507)
Profit after taxation					<u>6,386</u>
<u>First Half 2009</u>					
Revenue	274,682	53,692	12,660	7,486	348,520
<u>Results</u>					
Segment results	16,588	6,892	7,616	5,349	36,445
Net income from investments					461
Share of profit in associate					284
Profit before taxation					37,190
Taxation					(4,874)
Profit after taxation					<u>32,316</u>
<u>First Half 2008</u>					
Revenue	285,786	50,807	15,555	5,662	357,810
<u>Results</u>					
Segment results	6,411	3,846	9,906	4,138	24,301
Net income from investments					1,930
Share of profit in associate					301
Profit before taxation					26,532
Taxation					(4,850)
Profit after taxation					<u>21,682</u>

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

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

15. A breakdown of sales as follows :

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

17. Interested Person Transactions

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

18. Negative assurance confirmation on interim financial results under SGX Listing Rule 705(4) 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 2009 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Kua Hong Pak
Deputy Chairman

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy / Chew Si Lyn, Cecilia
Joint Company Secretaries

13 August 2009