

Second Quarter 2008 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 2008. 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 2008	2nd Qtr 2007	Incr/ (Decr)	1st Half 2008	1st Half 2007	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
Turnover	177,555	163,838	8.4	351,777	324,246	8.5
Other operating income	2,875	2,389	20.3	5,287	4,860	8.8
Revenue	<u>180,430</u>	<u>166,227</u>	<u>8.5</u>	<u>357,064</u>	<u>329,106</u>	<u>8.5</u>
Staff costs	(70,683)	(68,419)	3.3	(141,237)	(141,164)	0.1
Repairs and maintenance	(21,953)	(22,482)	(2.4)	(42,809)	(43,327)	(1.2)
Fuel and electricity costs	(52,436)	(30,179)	73.7	(92,476)	(56,454)	63.8
Premises costs	(7,451)	(5,859)	27.2	(14,596)	(12,560)	16.2
Depreciation expense	(7,202)	(8,186)	(12.0)	(15,355)	(15,456)	(0.7)
Other operating expenses	(13,887)	(14,544)	(4.5)	(26,434)	(27,192)	(2.8)
Total operating expenses	<u>(173,612)</u>	<u>(149,669)</u>	<u>16.0</u>	<u>(332,907)</u>	<u>(296,153)</u>	<u>12.4</u>
Operating profit	6,818	16,558	(58.8)	24,157	32,953	(26.7)
Net income from investments	915	1,213	(24.6)	2,074	3,596	(42.3)
Share of profit in associate	160	138	15.9	301	255	18.0
Profit before taxation	<u>7,893</u>	<u>17,909</u>	<u>(55.9)</u>	<u>26,532</u>	<u>36,804</u>	<u>(27.9)</u>
Taxation	(1,507)	(3,386)	(55.5)	(4,850)	(5,242)	(7.5)
Profit attributable to shareholders	<u><u>6,386</u></u>	<u><u>14,523</u></u>	<u><u>(56.0)</u></u>	<u><u>21,682</u></u>	<u><u>31,562</u></u>	<u><u>(31.3)</u></u>

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 2008	2nd Qtr 2007	Incr/ (Decr)	1st Half 2008	1st Half 2007	Incr/ (Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<i>After crediting :-</i>						
Write-back of deferred tax	-	-	-	-	1,147	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 2008 \$'000	31 Dec 2007 \$'000	30 Jun 2008 \$'000	31 Dec 2007 \$'000
ASSETS				
Current assets				
Short-term deposits and bank balances	64,127	42,726	64,127	42,726
Held-for-trading investments	31,985	73,759	31,985	73,759
Available-for-sale investments	10,049	15,003	10,049	15,003
Trade receivables	10,442	10,448	10,442	10,448
Other receivables and prepayments	22,277	23,330	22,277	23,330
Inventories	25,682	21,639	25,682	21,639
Total current assets	164,562	186,905	164,562	186,905
Non-current assets				
Associate	1,265	964	1,280	1,280
Available-for-sale investments	19,458	20,420	19,458	20,420
Vehicles, premises and equipment	312,729	251,487	312,729	251,487
Total non-current assets	333,452	272,871	333,467	273,187
Total assets	498,014	459,776	498,029	460,092
LIABILITIES AND EQUITY				
Current liabilities				
Hedging instruments	57	25	57	25
Trade payables	164,030	139,012	164,030	139,012
Deposits received - current portion	1,202	1,027	1,202	1,027
Provision for claims	9,940	9,786	9,940	9,786
Fuel price equalisation account	34,075	34,075	34,075	34,075
Income tax payable	8,096	11,017	8,096	11,017
Total current liabilities	217,400	194,942	217,400	194,942
Non-current liabilities				
Deposits received	1,760	1,469	1,760	1,469
Deferred tax liabilities	20,833	17,271	20,833	17,271
Provision for service benefits and long service awards	10,597	10,556	10,597	10,556
Total non-current liabilities	33,190	29,296	33,190	29,296
Capital and reserves				
Share capital	92,310	91,324	92,310	91,324
Capital reserves	165	954	165	954
Accumulated profits	154,949	143,260	154,964	143,576
Total equity	247,424	235,538	247,439	235,854
Total liabilities and equity	498,014	459,776	498,029	460,092

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 2008:

	Group			
	2nd Qtr 2008	2nd Qtr 2007	1st Half 2008	1st Half 2007
	\$'000	\$'000	\$'000	\$'000
Operating activities				
Profit before taxation	7,893	17,909	26,532	36,804
Adjustments for:				
Depreciation expense	7,202	8,186	15,355	15,456
Share-based payment expense	72	64	156	136
Net (gain) loss on disposal of held-for-trading investments	(105)	16	(168)	(6)
Net loss (gain) on fair value changes of held-for-trading investments	43	377	(60)	(172)
Net gain on disposal of vehicles and equipment	(383)	(7)	(746)	(26)
Interest income	(797)	(1,571)	(1,702)	(3,420)
Provision for (Write-back of) service benefits and long service awards	14	(80)	200	(40)
Others	-	-	-	6
Share of profit in associate	(160)	(138)	(301)	(255)
	<u>13,779</u>	<u>24,756</u>	<u>39,266</u>	<u>48,483</u>
Payment of service benefits and long service awards	(81)	(185)	(159)	(282)
Operating cash flows before movements in working capital	<u>13,698</u>	<u>24,571</u>	<u>39,107</u>	<u>48,201</u>
Trade receivables	(2,271)	2,379	6	417
Other receivables and prepayments	4,009	(5,371)	274	(1,670)
Inventories	(852)	(955)	(4,043)	(2,109)
Held-for-trading investments	45,000	30,985	42,014	44,143
Trade payables	38,206	6,855	25,018	(11,111)
Deposits received	134	(159)	466	(80)
Provision for claims	135	709	154	1,142
Cash generated from operations	<u>98,059</u>	<u>59,014</u>	<u>102,996</u>	<u>78,933</u>
Income tax paid	(4,039)	(2,391)	(4,209)	(4,388)
Net cash from operating activities	<u>94,020</u>	<u>56,623</u>	<u>98,787</u>	<u>74,545</u>
Investing activities				
Interest received	1,140	1,840	2,500	3,577
Dividend received from associate	-	-	-	3,449
Proceeds from disposal of:				
Vehicles and equipment	420	8	784	33
Available-for-sale investments	-	-	5,000	-
Purchase of vehicles, premises and equipment	(56,303)	(13,788)	(76,635)	(31,390)
Net cash used in investing activities	<u>(54,743)</u>	<u>(11,940)</u>	<u>(68,351)</u>	<u>(24,331)</u>
Financing activities				
Proceeds from share issue	739	3,759	964	5,510
Dividends paid	(9,999)	(58,976)	(9,999)	(58,976)
Others	-	4	-	4
Net cash used in financing activities	<u>(9,260)</u>	<u>(55,213)</u>	<u>(9,035)</u>	<u>(53,462)</u>
Net increase (decrease) in cash and cash equivalents	30,017	(10,530)	21,401	(3,248)
Cash and cash equivalents at beginning of period	<u>34,110</u>	<u>34,178</u>	<u>42,726</u>	<u>26,896</u>
Cash and cash equivalents at end of period	<u>64,127</u>	<u>23,648</u>	<u>64,127</u>	<u>23,648</u>

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

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 2008:

	Group			
	Attributable to shareholders of the Company			
	Share capital \$'000	Capital reserves \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2007	83,371	951	187,420	271,742
Fair value gain on available-for-sale investments	-	324	-	324
Net profit for the period	-	-	17,039	17,039
Total recognised income and expense for the period	-	324	17,039	17,363
Recognition of share-based payments	-	72	-	72
Exercise of share options	1,795	(44)	-	1,751
Others	-	(2)	2	-
Balance at 31 March 2007	85,166	1,301	204,461	290,928
Fair value loss on available-for-sale investments	-	(62)	-	(62)
Net profit for the period	-	-	14,523	14,523
Total recognised income and expense for the period	-	(62)	14,523	14,461
Recognition of share-based payments	-	64	-	64
Exercise of share options	3,844	(85)	-	3,759
Payment of dividends	-	-	(58,976)	(58,976)
Others	-	-	4	4
Balance at 30 June 2007	89,010	1,218	160,012	250,240
Balance at 1 January 2008	91,324	954	143,260	235,538
Fair value loss on available-for-sale investments	-	(18)	-	(18)
Net profit for the period	-	-	15,296	15,296
Total recognised income and expense 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
Fair value loss on available-for-sale investments	-	(899)	-	(899)
Net profit for the period	-	-	6,386	6,386
Total recognised income and expense 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	92,310	165	154,949	247,424

Statement of changes in equity of the Company for the Second Quarter and Half-Year ended 30 June 2008:

	Company			
	Share capital	Capital reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2007	83,371	951	184,571	268,893
Fair value gain on available-for-sale investments	-	324	-	324
Net profit for the period	-	-	20,371	20,371
Total recognised income and expense for the period	-	324	20,371	20,695
Recognition of share-based payments	-	72	-	72
Exercise of share options	1,795	(44)	-	1,751
Others	-	(2)	2	-
Balance at 31 March 2007	85,166	1,301	204,944	291,411
Fair value loss on available-for-sale investments	-	(62)	-	(62)
Net profit for the period	-	-	14,385	14,385
Total recognised income and expense for the period	-	(62)	14,385	14,323
Recognition of share-based payments	-	64	-	64
Exercise of share options	3,844	(85)	-	3,759
Payment of dividends	-	-	(58,976)	(58,976)
Others	-	-	4	4
Balance at 30 June 2007	89,010	1,218	160,357	250,585
Balance at 1 January 2008	91,324	954	143,576	235,854
Fair value loss on available-for-sale investments	-	(18)	-	(18)
Net profit for the period	-	-	15,155	15,155
Total recognised income and expense 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
Fair value loss on available-for-sale investments	-	(899)	-	(899)
Net profit for the period	-	-	6,226	6,226
Total recognised income and expense 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

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 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.

During the quarter, 378,750 new ordinary shares were issued by the Company upon the exercise of options granted under the SBS Transit Share Option Scheme (SSOS).

As at 30 June 2008, there were unexercised options for 9,755,750 (30 June 2007 : 5,754,750) of unissued ordinary shares under the SSOS.

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 and the Company have 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 2007.

In this current financial year, the Group and the Company have 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 2008. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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 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.

	Group			
	2nd Qtr 2008	2nd Qtr 2007	1st Half 2008	1st Half 2007
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	2.08 cents	4.76 cents	7.05 cents	10.37 cents
(ii) On a fully diluted basis	2.07 cents	4.72 cents	7.04 cents	10.31 cents

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

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	30 Jun 2008	31 Dec 2007	30 Jun 2008	31 Dec 2007
Net asset value per ordinary share based on issued share capital at the end of the period / year	80 cents	77 cents	80 cents	77 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 \$180.4m for the Second Quarter 2008 grew by 8.5% or \$14.2m as compared to \$166.2m in the Second Quarter 2007 due to higher bus and rail fare revenue, higher advertisement revenue and higher rental income.

Operating expenses of \$173.6m for the Second Quarter 2008 increased by 16.0% or \$23.9m as compared to \$149.7m in the Second Quarter 2007 due mainly to higher fuel and electricity costs which increased by 73.7% or \$22.3m.

Group operating profit of \$6.8m for the Second Quarter 2008 was 58.8% or \$9.8m lower than that of \$16.6m in the corresponding quarter last year.

Net income from investments of \$0.9m for the Second Quarter 2008 was 24.6% or \$0.3m lower than that of \$1.2m in the Second Quarter 2007 due mainly to lower interest income on investments.

Consequently, Group profit before tax of \$7.9m for the Second Quarter 2008 was 55.9% or \$10.0m lower than that of \$17.9m in the Second Quarter 2007.

Taxation of \$1.5m for the Second Quarter 2008 was \$1.9m lower due to lower profits generated.

Group profit attributable to shareholders of the Company of \$6.4m for the Second Quarter 2008 was 56.0% or \$8.1m lower than that of \$14.5m in the corresponding quarter last year.

A segmental breakdown by business is provided under paragraph 13.

Turnover from Bus Operations for the Second Quarter 2008 at \$141.3m increased by 6.2% or \$8.2m as compared to the corresponding quarter last year. Ridership increased by 6.0% compared with the corresponding quarter last year. However, the Bus Operations suffered a loss of \$3.1m as compared to a profit of \$9.6m in the Second Quarter of 2007 due mainly to higher fuel cost, partially offset by higher bus fare revenue.

Turnover from Rail Operations for the Second Quarter 2008 at \$24.5m increased by 14.6% or \$3.1m as compared to the corresponding quarter last year. Ridership for North-East Line and the two light rail transit systems increased by 15.4% and 15.2% respectively as compared to the corresponding quarter last year. Operating profit from Rail Operations of \$2.1m was better by 73.3% or \$0.9m as compared to \$1.2m for the corresponding quarter last year due mainly to higher rail fare revenue, partially offset by higher electricity cost.

Turnover from Advertisement Business for the Second Quarter 2008 increased by 13.5% or \$1.0m to \$8.8m as compared to the corresponding quarter last year due mainly to higher bus advertisements. Consequently, operating profit from Advertisement Business for the Second Quarter 2008 rose by 27.3% or \$1.2m to \$5.7m as compared to the corresponding quarter last year.

Turnover from Rental Business for the Second Quarter 2008 increased by 77.8% or \$1.3m to \$3.0m as compared to the corresponding quarter last year due mainly to higher rental income from new shops at the bus interchanges. Operating profit from Rental Business for the Second Quarter 2008 increased by 69.1% or \$0.9m to \$2.1m as compared to the corresponding quarter last year.

8(b)(i) Commentary on Balance Sheet

As at 30 June 2008, total shareholders' funds for the Group increased by 5.0% or \$11.9m to \$247.4m as compared to 31 December 2007 due mainly to profits generated from operations, partially offset by the payment of dividends.

Group total assets increased by 8.3% or \$38.2m to \$498.0m due mainly to the addition to vehicles, premises and equipment, partially offset by payment of dividends.

Group total liabilities increased by 11.8% or \$26.4m to \$250.6m due mainly to higher progress billings for buses purchased.

8(b)(ii) Commentary on Cash Flow

Net cash inflow of \$30.0m for the Second Quarter 2008 arose due mainly to net cash generated from operations, partially offset by the purchase of vehicles, premises and equipment and payment of dividends.

Group cash and cash equivalents as at 30 June 2008 was \$64.1m. If the held-for-trading and available-for-sale investments were to be included, the cash position as at 30 June 2008 would be \$125.6m.

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.

Revenue from Bus and Rail Operations is expected to improve with the growth in ridership. Advertising revenue is expected to be maintained. Staff costs are expected to increase with the annual salary increments. Repairs and maintenance expenses are expected to increase due to enhanced grooming and maintenance requirements of the bus fleet. Fuel and electricity costs are expected to remain volatile.

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	3.00 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.

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per ordinary share	6.00 cents
Tax Rate	18%

(c) Date Payable

The Directors have declared a one-tier tax-exempt interim dividend of 3.00 cents per ordinary share. The dividend will be payable on 8 September 2008.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed from 28 August 2008 to 29 August 2008 (both dates inclusive) 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 2008 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 2008 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 2008:

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>Second Quarter 2008</u>					
Turnover	141,269	24,517	8,788	2,981	177,555
<u>Results</u>					
Segment results	(3,119)	2,106	5,728	2,103	6,818
Net income from investments					915
Share of profit in associate					160
Profit before taxation					7,893
Taxation					(1,507)
Profit after taxation					<u>6,386</u>
<u>Second Quarter 2007</u>					
Turnover	133,027	21,394	7,740	1,677	163,838
<u>Results</u>					
Segment results	9,599	1,215	4,500	1,244	16,558
Net income from investments					1,213
Share of profit in associate					138
Profit before taxation					17,909
Taxation					(3,386)
Profit after taxation					<u>14,523</u>
<u>First Half 2008</u>					
Turnover	282,348	48,244	15,540	5,645	351,777
<u>Results</u>					
Segment results	6,267	3,846	9,906	4,138	24,157
Net income from investments					2,074
Share of profit in associate					301
Profit before taxation					26,532
Taxation					(4,850)
Profit after taxation					<u>21,682</u>
<u>First Half 2007</u>					
Turnover	263,876	42,297	14,740	3,333	324,246
<u>Results</u>					
Segment results	19,360	2,046	9,102	2,445	32,953
Net income from investments					3,596
Share of profit in associate					255
Profit before taxation					36,804
Taxation					(5,242)
Profit after taxation					<u>31,562</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. 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 2008 financial results to be false or misleading.

ON BEHALF OF THE DIRECTORS

LIM JIT POH
Chairman

KUA HONG PAK
Deputy Chairman

BY ORDER OF THE BOARD

CHAN WAN TAK, WENDY
Company Secretary

13 August 2008