



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

**Third Quarter 2019 Financial Statements**

The Board of Directors announces the unaudited results for the Third Quarter and 9 Months ended 30 September 2019.

**1 GROUP INCOME STATEMENT**

	Group					
	3rd Qtr	3rd Qtr	Incr/	9 Months	9 Months	Incr/
	2019	2018	(Decr)	2019	2018	(Decr)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	364,024	351,366	3.6	1,073,316	1,024,463	4.8
Staff costs	176,537	174,950	0.9	532,018	519,518	2.4
Repairs and maintenance costs	50,685	45,332	11.8	140,361	131,220	7.0
Fuel and electricity costs	46,609	47,594	(2.1)	135,715	129,970	4.4
Premises costs *	12,060	16,799	(28.2)	36,102	47,309	(23.7)
Depreciation expense *	26,030	23,002	13.2	77,513	70,269	10.3
Other operating costs	26,696	19,737	35.3	69,364	57,877	19.8
<b>Total operating costs</b>	<u>338,617</u>	<u>327,414</u>	3.4	<u>991,073</u>	<u>956,163</u>	3.7
<b>Operating profit</b>	25,407	23,952	6.1	82,243	68,300	20.4
Net income from investments	3	96	(96.9)	105	216	(51.4)
Finance costs *	(1,097)	(831)	32.0	(3,269)	(2,786)	17.3
<b>Profit before taxation</b>	<u>24,313</u>	<u>23,217</u>	4.7	<u>79,079</u>	<u>65,730</u>	20.3
Taxation	(4,293)	(3,498)	22.7	(14,208)	(9,821)	44.7
<b>Profit attributable to shareholders</b>	<u><u>20,020</u></u>	<u><u>19,719</u></u>	1.5	<u><u>64,871</u></u>	<u><u>55,909</u></u>	16.0

\* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019.

## 2 STATEMENTS OF FINANCIAL POSITION

	<u>Group</u>		<u>Company</u>	
	<u>30 Sep 2019 \$'000</u>	<u>31 Dec 2018 \$'000</u>	<u>30 Sep 2019 \$'000</u>	<u>31 Dec 2018 \$'000</u>
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Short-term deposits and bank balances	7,861	32,711	6,100	31,785
Trade receivables	162,547	123,509	158,833	120,225
Other receivables and prepayments	65,960	56,466	299,517	259,551
Inventories	132,172	117,142	107,362	99,102
Total current assets	<u>368,540</u>	<u>329,828</u>	<u>571,812</u>	<u>510,663</u>
<b>Non-current assets</b>				
Subsidiary	-	-	5,000	5,000
Prepayments	4,192	6,021	4,171	5,889
Vehicles, premises and equipment	657,867	705,304	639,251	685,463
Right-of-use assets *	71,228	-	71,228	-
Deferred tax assets	26,289	21,680	-	-
Total non-current assets	<u>759,576</u>	<u>733,005</u>	<u>719,650</u>	<u>696,352</u>
<b>Total assets</b>	<u><u>1,128,116</u></u>	<u><u>1,062,833</u></u>	<u><u>1,291,462</u></u>	<u><u>1,207,015</u></u>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Borrowings	81,000	-	81,000	-
Lease liabilities *	10,836	-	10,836	-
Trade and other payables	256,404	293,771	211,783	253,450
Deposits received	3,098	2,588	2,259	2,259
Insurance premiums payable and provision for accident claims	20,369	19,533	20,369	19,533
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	33,093	31,394	33,093	31,394
Total current liabilities	<u>424,792</u>	<u>367,278</u>	<u>379,332</u>	<u>326,628</u>
<b>Non-current liabilities</b>				
Borrowings	-	75,000	-	75,000
Lease liabilities *	72,315	-	72,315	-
Deferred grants	6,380	6,326	6,380	6,326
Deposits received	6,776	7,157	6,125	5,865
Deferred tax liabilities	77,446	77,676	77,446	77,676
Provision for service benefits and long service awards	11,334	11,004	10,956	10,706
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	<u>194,243</u>	<u>197,155</u>	<u>193,214</u>	<u>195,565</u>
<b>Total liabilities</b>	<u><u>619,035</u></u>	<u><u>564,433</u></u>	<u><u>572,546</u></u>	<u><u>522,193</u></u>
<b>Capital and reserves</b>				
Share capital	100,499	100,162	100,499	100,162
Other reserves	39,300	38,628	39,775	39,450
Accumulated profits *	369,282	359,610	578,642	545,210
Total equity	<u>509,081</u>	<u>498,400</u>	<u>718,916</u>	<u>684,822</u>
<b>Total liabilities and equity</b>	<u><u>1,128,116</u></u>	<u><u>1,062,833</u></u>	<u><u>1,291,462</u></u>	<u><u>1,207,015</u></u>

\* The Group has adopted SFRS(I) 16 Leases on 1 January 2019. Please refer to paragraph 11 for further details.

### 3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND LEASE LIABILITIES

	<b>30 Sep 2019 \$'000</b>	<b>31 Dec 2018 \$'000</b>
<b><u>Borrowings</u></b>		
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	81,000	-
Amount repayable after one year	-	75,000
	<u>81,000</u>	<u>75,000</u>
<b><u>Lease Liabilities</u></b>		
<b>Secured</b>		
Amount repayable in one year or less, or on demand	10,836	-
Amount repayable after one year	72,315	-
	<u>83,151</u>	<u>-</u>

#### **Details of any collateral**

The total secured lease liabilities relates to the adoption of SFRS(I) 16 *Leases*.

#### 4 GROUP CASH FLOW STATEMENT

	Group			
	3rd Qtr 2019 \$'000	3rd Qtr 2018 \$'000	9 Months 2019 \$'000	9 Months 2018 \$'000
<b>Operating activities</b>				
Profit before taxation	24,313	23,217	79,079	65,730
Adjustments for:				
Depreciation expense *	26,030	23,002	77,513	70,269
Finance costs *	1,097	831	3,269	2,786
Net gain on disposal of vehicles and equipment	(17)	(53)	(102)	(116)
Interest income	(3)	(96)	(105)	(216)
Provision for service benefits and long service awards	465	205	1,019	608
Insurance premiums payable and provision for accident claims	1,522	803	5,450	2,315
Operating cash flows before movements in working capital	53,407	47,909	166,123	141,376
Changes in working capital	9,675	2,608	(105,004)	(71,529)
Cash generated from operations	63,082	50,517	61,119	69,847
Income tax paid	(6,556)	(13)	(17,492)	(30)
Interest paid arising from leases *	(577)	-	(1,771)	-
Net cash from operating activities	55,949	50,504	41,856	69,817
<b>Investing activities</b>				
Interest received	3	35	118	156
Proceeds from disposal of vehicles and equipment	22	72	122	27,838
Purchase of vehicles, premises and equipment	(10,284)	(4,995)	(19,821)	(13,422)
Net cash (used in) from investing activities	(10,259)	(4,888)	(19,581)	14,572
<b>Financing activities</b>				
New loans raised	112,500	121,000	316,000	461,300
Repayment of borrowings	(132,500)	(146,000)	(310,000)	(510,800)
Payments under lease liabilities *	(2,580)	-	(7,508)	-
Proceeds from share issue	-	-	309	1,228
Interest paid	(547)	(977)	(1,497)	(2,924)
Dividends paid	(22,298)	(18,077)	(44,437)	(30,375)
Others	3	8	8	19
Net cash used in financing activities	(45,422)	(44,046)	(47,125)	(81,552)
Net increase (decrease) in cash and cash equivalents	268	1,570	(24,850)	2,837
Cash and cash equivalents at beginning of period	7,593	6,542	32,711	5,275
<b>Cash and cash equivalents at end of period</b>	<b>7,861</b>	<b>8,112</b>	<b>7,861</b>	<b>8,112</b>

\* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019.

#### 5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	3rd Qtr 2019 \$'000	3rd Qtr 2018 \$'000	9 Months 2019 \$'000	9 Months 2018 \$'000
<b>Profit attributable to shareholders</b>	20,020	19,719	64,871	55,909
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value adjustment on cash flow hedges	(1,277)	-	705	-
Fair value adjustment on investments	-	(39)	-	(127)
<b>Total comprehensive income attributable to shareholders</b>	<b>18,743</b>	<b>19,680</b>	<b>65,576</b>	<b>55,782</b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the Third Quarter and 9 Months ended 30 September 2019:

	Group			
	Attributable to shareholders of the Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2019</b>	100,162	38,628	359,610	498,400
Adoption of SFRS(I) 16 *	-	-	(10,775)	(10,775)
<b>Balance at 1 January 2019 (as restated)</b>	<u>100,162</u>	<u>38,628</u>	<u>348,835</u>	<u>487,625</u>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	44,851	44,851
Other comprehensive income for the period	-	1,982	-	1,982
<b>Total</b>	<u>-</u>	<u>1,982</u>	<u>44,851</u>	<u>46,833</u>
<b>Transactions recognised directly in equity</b>				
Exercise of share options	337	(28)	-	309
Payment of dividends	-	-	(22,139)	(22,139)
Other reserves	-	(5)	10	5
<b>Total</b>	<u>337</u>	<u>(33)</u>	<u>(22,129)</u>	<u>(21,825)</u>
<b>Balance at 30 June 2019</b>	<u>100,499</u>	<u>40,577</u>	<u>371,557</u>	<u>512,633</u>
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	20,020	20,020
Other comprehensive expense for the period	-	(1,277)	-	(1,277)
<b>Total</b>	<u>-</u>	<u>(1,277)</u>	<u>20,020</u>	<u>18,743</u>
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(22,298)	(22,298)
Other reserves	-	-	3	3
<b>Total</b>	<u>-</u>	<u>-</u>	<u>(22,295)</u>	<u>(22,295)</u>
<b>Balance at 30 September 2019</b>	<u>100,499</u>	<u>39,300</u>	<u>369,282</u>	<u>509,081</u>

\* The Group has adopted SFRS(I) 16 Leases on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 11 for further details.

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

	<b>Group</b>			
	<b>Attributable to shareholders of the 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	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

Statement of Changes in Equity of the Company for the Third Quarter and 9 Months ended 30 September 2019:

	<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 2019</b>	100,162	39,450	545,210	684,822
Adoption of SFRS(I) 16 *	-	-	(10,775)	(10,775)
<b>Balance at 1 January 2019 (as restated)</b>	100,162	39,450	534,435	674,047
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	57,111	57,111
Other comprehensive income for the period	-	1,006	-	1,006
<b>Total</b>	-	1,006	57,111	58,117
<b>Transactions recognised directly in equity</b>				
Exercise of share options	337	(28)	-	309
Payment of dividends	-	-	(22,139)	(22,139)
Other reserves	-	(5)	10	5
<b>Total</b>	337	(33)	(22,129)	(21,825)
<b>Balance at 30 June 2019</b>	100,499	40,423	569,417	710,339
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	31,520	31,520
Other comprehensive expense for the period	-	(648)	-	(648)
<b>Total</b>	-	(648)	31,520	30,872
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(22,298)	(22,298)
Other reserves	-	-	3	3
<b>Total</b>	-	-	(22,295)	(22,295)
<b>Balance at 30 September 2019</b>	100,499	39,775	578,642	718,916

\* The Company has adopted SFRS(I) 16 Leases on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 11 for further details.

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



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

### Share Capital

Since 30 June 2019, no new ordinary shares were issued by the Company.

As at 30 September 2019, the total number of issued shares was 311,864,766 (31 December 2018: 311,669,766).

### 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 2019, there were no unexercised options (30 September 2018: 382,500) under the SBS Transit Share Option Scheme.

As at 30 September 2019, 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**

Except as disclosed in paragraph 11 below, the accounting policies and methods of computation in the financial statements for the current reporting period are consistent with those of the audited financial statements for the year ended 31 December 2018.

## **11 CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION**

SFRS(I) 16 Leases is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 has resulted in most of the leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, it requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments resulting mainly in higher depreciation, lower lease payments (premises costs) and higher finance costs. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The ROU assets as at 30 September 2019 were largely related to leases of the office premises, bus depots and workshops occupied by the Group in the various locations. Accordingly, there was a corresponding increase in liabilities as at 30 September 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the Statement of Financial Position of the Group and Company as at 1 January 2019. The differences from the Statement of Financial Position as previously reported at 31 December 2018 are as follows.

**The Group and The Company**

**1 January 2019**

**\$'000**

Increase in other receivables	201
Increase in right-of-use assets	78,038
Increase in lease liabilities	<u>(89,014)</u>
	<u>(10,775)</u>
Decrease in accumulated profits	<u>10,775</u>
Decrease in total equity	<u>10,775</u>

**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</b>	<b>3rd Qtr</b>	<b>9 Months</b>	<b>9 Months</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</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)	6.42	6.33	20.80	17.96
(ii) On a fully diluted basis (cents)	6.42	6.32	20.80	17.95

EBITDA

	<b>Group</b>			
	<b>3rd Qtr</b>	<b>3rd Qtr</b>	<b>9 Months</b>	<b>9 Months</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
(i) EBITDA (\$'000)	51,437	46,954	159,756	138,569
(ii) EBITDA margin (%)	14.1	13.4	14.9	13.5

**13 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>30 Sep</b>	<b>31 Dec</b>	<b>30 Sep</b>	<b>31 Dec</b>
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net asset value per ordinary share based on issued share capital at the end of the period/year (dollars)	1.63	1.60	2.31	2.20

## 14 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$364.0m for 3Q19 increased by 3.6% or \$12.7m from \$351.4m for 3Q18 while Group operating costs of \$338.6m increased by 3.4% or \$11.2m from \$327.4m for 3Q18.

Group operating profit of \$25.4m for 3Q19 was 6.1% or \$1.5m higher than that of \$24.0m for 3Q18.

Net income from investments of \$3k for 3Q19 was 96.9% or \$93k lower than that of \$96k for 3Q18.

Finance costs of \$1.1m for 3Q19 were 32.0% or \$0.3m higher than that of \$0.8m for 3Q18. The increase was due to the adoption of SFRS(I) 16 amounting to \$0.6m, partially offset by lower borrowings.

Consequently, Group profit before taxation of \$24.3m for 3Q19 was 4.7% or \$1.1m higher than that of \$23.2m for 3Q18.

Taxation of \$4.3m for 3Q19 was higher than that of \$3.5m for 3Q18 by 22.7% or \$0.8m due mainly to the write-back of overprovision for prior years' tax in 3Q18.

Group profit attributable to shareholders of the Company of \$20.0m for 3Q19 was 1.5% or \$0.3m higher than that of \$19.7m for 3Q18.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Public Transport Services of \$348.0m for 3Q19 was higher by 3.0% or \$10.1m compared to \$337.9m for 3Q18 due mainly to higher average fare arising from the fare increase effective 29 December 2018 and higher ridership from rail services, higher bus service fees and higher other operating income. For 3Q19, average fare for Downtown Line (DTL) was higher than that for 3Q18 by 7.8% or 5.2 cents. Average daily ridership for the DTL grew by 4.1% to 491k passenger trips. Average fare for North-East Line (NEL) was higher than that for 3Q18 by 2.6% or 1.8 cents and that for Light Rail Transit (LRT) by 4.2% or 1.8 cents compared to that of 3Q18. Average daily ridership for NEL grew by 1.2% to 615k passenger trips and that for the LRT by 6.1% to 144k passenger trips as compared to that of 3Q18. Operating profit for 3Q19 at \$14.8m decreased by \$0.7m from \$15.5m for 3Q18 due mainly to higher repairs and maintenance costs, higher depreciation, higher staff costs and higher other operating costs, partially offset by higher revenue and lower premises costs.

Revenue from Other Commercial Services of \$16.0m for 3Q19 was higher by 19.3% or \$2.6m compared to \$13.4m for 3Q18 due mainly to higher advertising revenue. Consequently, operating profit for 3Q19 at \$10.6m increased by 25.9% or \$2.2m as compared to \$8.4m for 3Q18.

## **Statement of Financial Position**

As at 30 September 2019, total equity for the Group increased by 2.1% or \$10.7m to \$509.1m as compared to 31 December 2018 due mainly to profits generated from operations and an increase in other reserves, partially offset by dividends paid and prior years' adjustment arising from the adoption of SFRS(I) 16.

Group total assets increased by 6.1% or \$65.3m to \$1,128.1m due to an increase in current and non-current assets of \$38.7m and \$26.6m respectively. The increase in current assets was due mainly to the increase in trade and other receivables and inventories, partially offset by the decrease in short-term deposits and bank balances. The increase in non-current assets was due mainly to the recognition of ROU assets with the adoption of SFRS(I) 16, partially offset by depreciation of vehicles, premises and equipment for the period.

Group total liabilities increased by 9.7% or \$54.6m to \$619.0m due to an increase in current liabilities of \$57.5m, partially offset by the decrease in current liabilities of \$2.9m. The increase in current liabilities was due mainly to the reclassification of borrowings due in September 2020 from non-current liabilities and the recognition of lease liabilities with the adoption of SFRS(I) 16, partially offset by the decrease in trade and other payables. The decrease in non-current liabilities was due mainly to the reclassification of borrowings to current liabilities, partially offset by the recognition of lease liabilities with the adoption of SFRS(I) 16.

## **Cash Flow**

The net cash inflow of \$0.3m for 3Q19 was mainly from the new loans raised and net cash from operating activities, partially offset by the repayment of borrowings, dividends paid, the purchase of vehicles, premises and equipment and the repayment of lease liabilities.

As at 30 September 2019, the Group had cash and bank balances of \$7.9m. After accounting for the borrowings of \$81.0m, the Group had a net debt position of \$73.1m and a net gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) of 14.7% which was higher than that of 8.5% as at 31 December 2018. The Group's gross gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 16.3% as at 30 September 2019 compared to 15.0% as at 31 December 2018.

## **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 be higher.

Bus service revenue is expected to be higher with the full year contribution from the Seletar and Bukit Merah Bus Packages which commenced operations from March 2018 and November 2018 respectively.

Rail service revenue is expected to be higher with higher ridership as well as the 4.3% fare adjustment from 29 December 2018.

Revenue from Other Commercial Services is expected to be maintained.

The Group continues to face significant cost pressures. Overall operating costs will increase with full year impact of the Seletar and Bukit Merah Bus Packages and increased maintenance requirements for NEL, Sengkang/Punggol LRT (SPLRT) and DTL.

Staff costs are expected to be higher following salary adjustments. Repairs and maintenance costs are expected to increase with the higher fleet size, higher maintenance requirements for the ageing bus fleet and the NEL/SPLRT fleet as well as investments in predictive maintenance capabilities to continuously enhance service reliability.

The fare adjustment of 7% approved by the Public Transport Council will take effect from 28 December 2019. Notwithstanding the impending fare increase, fare revenue will not cover rising operating and maintenance costs of the rail lines. In particular, higher maintenance is required as the NEL and SPLRT are in their mid-life cycles and DTL has come out of its defect liability period for its maintenance. We will also continue to invest in predictive maintenance capabilities so as to keep up with reliability standards in a sustainable manner.

## 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>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>3rd Quarter 2019</u></b>			
Revenue	347,999	16,025	364,024
<b><u>Results</u></b>			
Operating Profit	14,788	10,619	25,407
Net income from investments			3
Finance costs			(1,097)
Profit before taxation			<u>24,313</u>
Taxation			(4,293)
Profit after taxation			<u><u>20,020</u></u>
<b><u>3rd Quarter 2018</u></b>			
Revenue	337,937	13,429	351,366
<b><u>Results</u></b>			
Operating Profit	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>9 Months 2019</u></b>			
Revenue	1,025,339	47,977	1,073,316
<b><u>Results</u></b>			
Operating Profit	49,477	32,766	82,243
Net income from investments			105
Finance costs			(3,269)
Profit before taxation			<u>79,079</u>
Taxation			(14,208)
Profit after taxation			<u><u>64,871</u></u>
<b><u>9 Months 2018</u></b>			
Revenue	981,306	43,157	1,024,463
<b><u>Results</u></b>			
Operating Profit	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>

**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 2019 financial results to be false or misleading in any material aspect.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh  
Chairman

Yang Ban Seng  
Executive Deputy Chairman/Chief Executive Officer

**BY ORDER OF THE BOARD**

Yeo Tee Yeok, Edwin/Chan Wan Tak, Wendy  
Joint Company Secretaries

12 November 2019