



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

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**Full Year Financial Statements and Dividend Announcement**

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The Board of Directors announces the audited results for the year ended 31 December 2019.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>		
	<b>Full Year</b>	<b>Full Year</b>	<b>Incr/</b>
	<b>2019</b>	<b>2018</b>	<b>(Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	1,445,297	1,383,613	4.5
Staff costs	713,354	705,519	1.1
Repairs and maintenance costs	192,741	173,219	11.3
Fuel and electricity costs	182,008	171,844	5.9
Premises costs *	48,078	64,155	(25.1)
Depreciation expense *	104,070	93,136	11.7
Other operating costs	101,560	78,439	29.5
<b>Total operating costs</b>	<b>1,341,811</b>	<b>1,286,312</b>	<b>4.3</b>
<b>Operating profit</b>	<b>103,486</b>	<b>97,301</b>	<b>6.4</b>
Net income from investments	137	274	(50.0)
Finance costs *	(4,249)	(3,390)	25.3
<b>Profit before taxation</b>	<b>99,374</b>	<b>94,185</b>	<b>5.5</b>
Taxation	(18,086)	(14,083)	28.4
<b>Profit attributable to shareholders</b>	<b>81,288</b>	<b>80,102</b>	<b>1.5</b>

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

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Short-term deposits and bank balances	31,463	32,711	30,280	31,785
Trade receivables	167,433	123,509	164,063	120,225
Other receivables and prepayments	67,748	56,466	317,693	259,551
Inventories	130,571	117,142	104,126	99,102
Total current assets	<u>397,215</u>	<u>329,828</u>	<u>616,162</u>	<u>510,663</u>
<b>Non-current assets</b>				
Subsidiary	-	-	5,000	5,000
Prepayments	3,385	6,021	3,327	5,889
Vehicles, premises and equipment	644,165	705,304	625,013	685,463
Right-of-use assets *	70,980	-	70,980	-
Deferred tax assets	21,540	21,680	-	-
Total non-current assets	<u>740,070</u>	<u>733,005</u>	<u>704,320</u>	<u>696,352</u>
<b>Total assets</b>	<u><u>1,137,285</u></u>	<u><u>1,062,833</u></u>	<u><u>1,320,482</u></u>	<u><u>1,207,015</u></u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	75,000	-	75,000	-
Lease liabilities *	11,375	-	11,375	-
Trade and other payables	257,866	293,771	219,384	253,450
Deposits received	3,560	2,588	2,917	2,259
Insurance premiums payable and provision for accident claims	21,205	19,533	21,205	19,533
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	30,612	31,394	30,612	31,394
Total current liabilities	<u>419,610</u>	<u>367,278</u>	<u>380,485</u>	<u>326,628</u>
<b>Non-current liabilities</b>				
Borrowings	-	75,000	-	75,000
Lease liabilities *	71,801	-	71,801	-
Deferred grants	6,248	6,326	6,248	6,326
Deposits received	6,618	7,157	5,553	5,865
Deferred tax liabilities	74,940	77,676	74,940	77,676
Provision for service benefits and long service awards	11,335	11,004	10,930	10,706
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	<u>190,934</u>	<u>197,155</u>	<u>189,464</u>	<u>195,565</u>
<b>Total liabilities</b>	<u><u>610,544</u></u>	<u><u>564,433</u></u>	<u><u>569,949</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	40,543	38,628	40,285	39,450
Accumulated profits *	385,699	359,610	609,749	545,210
Total equity	<u>526,741</u>	<u>498,400</u>	<u>750,533</u>	<u>684,822</u>
<b>Total liabilities and equity</b>	<u><u>1,137,285</u></u>	<u><u>1,062,833</u></u>	<u><u>1,320,482</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 10 for further details.

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

	<u>31 Dec</u> <u>2019</u> \$'000	<u>31 Dec</u> <u>2018</u> \$'000
<b><u>Borrowings</u></b>		
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	75,000	-
Amount repayable after one year	-	75,000
	<u>75,000</u>	<u>75,000</u>
<b><u>Lease Liabilities</u></b>		
<b>Secured</b>		
Amount repayable in one year or less, or on demand	11,375	-
Amount repayable after one year	71,801	-
	<u>83,176</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	
	Full Year 2019	Full Year 2018
	\$'000	\$'000
<b>Operating activities</b>		
Profit before taxation	99,374	94,185
Adjustments for:		
Depreciation expense *	104,070	93,136
Finance costs *	4,249	3,390
Net gain on disposal of vehicles and equipment	(76)	(261)
Interest income	(137)	(274)
Provision for service benefits and long service awards	1,167	954
Insurance premiums payable and provision for accident claims	7,400	2,606
Provision for stock obsolescence	1,887	-
Operating cash flows before movements in working capital	217,934	193,736
Changes in working capital	(110,082)	(34,857)
Cash generated from operations	107,852	158,879
Income tax paid	(21,863)	(34)
Interest paid arising from leases *	(2,341)	-
Net cash from operating activities	83,648	158,845
<b>Investing activities</b>		
Interest received	141	308
Proceeds from disposal of vehicles and equipment	124	29,991
Maturity of investments	-	5,000
Purchase of vehicles, premises and equipment	(28,976)	(27,810)
Net cash (used in) from investing activities	(28,711)	7,489
<b>Financing activities</b>		
New loans raised	406,000	619,800
Repayment of borrowings	(406,000)	(725,800)
Payments under lease liabilities *	(10,157)	-
Proceeds from share issue	309	1,227
Interest paid	(1,908)	(3,773)
Dividends paid	(44,437)	(30,375)
Others	8	23
Net cash used in financing activities	(56,185)	(138,898)
Net (decrease) increase in cash and cash equivalents	(1,248)	27,436
Cash and cash equivalents at beginning of year	32,711	5,275
<b>Cash and cash equivalents at end of year</b>	<b>31,463</b>	<b>32,711</b>

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

5 GROUP COMPREHENSIVE INCOME STATEMENT

	<b>Group</b>	
	<b>Full Year 2019</b>	<b>Full Year 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit attributable to shareholders</b>	81,288	80,102
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	1,948	(1,670)
Fair value adjustment on investments	-	(133)
<b>Total comprehensive income attributable to shareholders</b>	<b><u>83,236</u></b>	<b><u>78,299</u></b>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2019:

	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 year</b>				
Profit for the year	-	-	80,102	80,102
Other comprehensive expense for the year	-	(1,803)	-	(1,803)
<b>Total</b>	-	(1,803)	80,102	78,299
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,289	(62)	-	1,227
Payment of dividends	-	-	(30,375)	(30,375)
Other reserves	-	(29)	52	23
<b>Total</b>	1,289	(91)	(30,323)	(29,125)
<b>Balance at 31 December 2018</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>	100,162	38,628	348,835	487,625
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	81,288	81,288
Other comprehensive income for the year	-	1,948	-	1,948
<b>Total</b>	-	1,948	81,288	83,236
<b>Transactions recognised directly in equity</b>				
Exercise of share options	337	(28)	-	309
Payment of dividends	-	-	(44,437)	(44,437)
Other reserves	-	(5)	13	8
<b>Total</b>	337	(33)	(44,424)	(44,120)
<b>Balance at 31 December 2019</b>	100,499	40,543	385,699	526,741

\* 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 10 for further details.

Statement of Changes in Equity of the Company for the year ended 31 December 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 2018</b>	98,873	40,522	457,911	597,306
<b>Total comprehensive income (expense) for the year</b>				
Profit for the year	-	-	117,622	117,622
Other comprehensive expense for the year	-	(981)	-	(981)
<b>Total</b>	-	(981)	117,622	116,641
<b>Transactions recognised directly in equity</b>				
Exercise of share options	1,289	(62)	-	1,227
Payment of dividends	-	-	(30,375)	(30,375)
Other reserves	-	(29)	52	23
<b>Total</b>	1,289	(91)	(30,323)	(29,125)
<b>Balance at 31 December 2018</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 year</b>				
Profit for the year	-	-	119,738	119,738
Other comprehensive income for the year	-	868	-	868
<b>Total</b>	-	868	119,738	120,606
<b>Transactions recognised directly in equity</b>				
Exercise of share options	337	(28)	-	309
Payment of dividends	-	-	(44,437)	(44,437)
Other reserves	-	(5)	13	8
<b>Total</b>	337	(33)	(44,424)	(44,120)
<b>Balance at 31 December 2019</b>	100,499	40,285	609,749	750,533

\* 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 10 for further details.

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

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

As at 31 December 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 31 December 2019, there was no option outstanding (31 December 2018: 232,500) under the SBS Transit Share Option Scheme.

As at 31 December 2019, the Company does not hold any treasury shares.

## 8 AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SBS TRANSIT LTD

#### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the Financial Statements of SBS Transit Ltd (the "Company") and its subsidiary (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2019, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and the Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Financial Statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Valuation and Completeness of Provision for Accident Claims

The valuation and completeness of provision for settlement of accident claims involves estimation uncertainty. Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics in determining the provision for accident claims as at 31 December 2019.

Our audit procedures included understanding the process used to determine the provision for accident claims. We compared the number of claims and recent settlements to accident claims statistics report issued by insurers; and independently evaluated the reasonableness of the provision estimated by Management. Based on our procedures, management's key assumptions appear to be reasonable.

#### *Information Other than the Financial Statements and Auditor's Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and our auditor's report thereon. The Directors' Statement was obtained prior to the date of this auditor's report and the remaining other information included in the annual report is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

### *Responsibilities of Management and Directors for the Financial Statements*

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Financial Statements and to maintain accountability of assets.

In preparing the Financial Statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- (d) Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### *Report on Other Legal and Regulatory Requirements*

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Chua How Kiat.

Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants

Singapore  
13 February 2020

## **9 ACCOUNTING POLICIES**

Except as disclosed in paragraph 10 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 2019.

## **10 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 31 December 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 31 December 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.

<b>The Group and The Company</b>	
<b>1 January 2019</b>	
<b><u>\$'000</u></b>	
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>

**11 GROUP EARNINGS PER ORDINARY SHARE AND EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)**

Earnings per ordinary share

	<b>Group</b>	
	<b>Full Year 2019</b>	<b>Full Year 2018</b>
Earnings per ordinary share for the year based on profit attributable to shareholders:-		
(i) Based on the weighted average number of ordinary shares in issue (cents)	26.07	25.72
(ii) On a fully diluted basis (cents)	26.07	25.71

EBITDA

	<b>Group</b>	
	<b>Full Year 2019</b>	<b>Full Year 2018</b>
(i) EBITDA (\$'000)	207,556	190,437
(ii) EBITDA margin (%)	14.4	13.8

**12 NET ASSET VALUE PER ORDINARY SHARE**

	<b>Group</b>		<b>Company</b>	
	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>	<b>31 Dec 2019</b>	<b>31 Dec 2018</b>
Net asset value per ordinary share based on issued share capital at the end of the year (dollars)	1.69	1.60	2.41	2.20

## 13 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group revenue of \$1,445.3m for 2019 increased by 4.5% or \$61.7m from \$1,383.6m for 2018 while Group operating costs of \$1,341.8m increased by 4.3% or \$55.5m from \$1,286.3m for 2018.

Group operating profit of \$103.5m for 2019 was 6.4% or \$6.2m higher than that of \$97.3m for 2018.

Net income from investments of \$0.1m for 2019 was 50.0% or \$0.2m lower than that of \$0.3m for 2018.

Finance costs of \$4.2m for 2019 were 25.3% or \$0.8m higher than that of \$3.4m for 2018. The increase was due mainly to the adoption of SFRS(I) 16 amounting to \$2.3m, partially offset by lower average interest rate.

Consequently, Group profit before taxation of \$99.4m for 2019 was 5.5% or \$5.2m higher than that of \$94.2m for 2018.

Taxation of \$18.1m for 2019 was higher than that of \$14.1m for 2018 by 28.4% or \$4.0m due mainly to the write-back of overprovision for prior years' tax in 2018 and higher profits.

Group profit attributable to shareholders of the Company of \$81.3m for 2019 was 1.5% or \$1.2m higher than that of \$80.1m for 2018.

A segmental breakdown by business is provided under paragraph 17.

Revenue from Public Transport Services of \$1,383.3m for 2019 was higher by 4.4% or \$58.0m compared to \$1,325.3m for 2018 due mainly to higher bus service fee coupled with higher rail fare revenue mostly attributable to an increase in ridership and average fare arising from the fare increase effective 29 December 2018. For 2019, average daily ridership for the Downtown Line (DTL) grew by 6.0% to 477k passenger trips while average fare for DTL was higher than that for 2018 by 7.5% or 5.0 cents. Average daily ridership for North-East Line (NEL) grew by 1.6% to 601k passenger trips and that for the Light Rail Transit (LRT) by 6.7% to 140k passenger trips as compared to that of 2018. Average fare for NEL was higher than that for 2018 by 2.4% or 1.7 cents and that for LRT by 5.1% or 2.2 cents compared to that of 2018. Operating profit for 2019 at \$61.9m increased by 2.9% or \$1.7m from \$60.2m for 2018 due mainly to higher revenue and lower premises costs, offset by higher repairs and maintenance costs, higher depreciation, higher fuel and electricity costs and licence charge.

Revenue from Other Commercial Services of \$62.0m for 2019 was higher by 6.3% or \$3.7m compared to \$58.3m for 2018 due mainly to higher advertising revenue. Operating profit for 2019 at \$41.5m increased by 12.0% or \$4.5m compared to \$37.1m for 2018 due mainly to higher revenue and lower premises costs, offset by higher repairs and maintenance costs.

## **Statement of Financial Position**

As at 31 December 2019, total equity for the Group increased by 5.7% or \$28.3m to \$526.7m as compared to 31 December 2018 due mainly to profits generated from operations, partially offset by dividends paid and prior years' adjustment arising from the adoption of SFRS(I) 16.

Group total assets increased by 7.0% or \$74.5m to \$1,137.3m due to an increase in current and non-current assets of \$67.4m and \$7.1m respectively. The increase in current assets was due mainly to the increase in trade and other receivables and inventories. 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 year.

Group total liabilities increased by 8.2% or \$46.1m to \$610.5m due to an increase in current liabilities of \$52.3m, partially offset by a decrease in non-current liabilities of \$6.2m. 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 outflow of \$1.2m for 2019 was from dividends paid, the purchase of commercial vehicles, equipment and accessories, the repayment of lease liabilities and interests paid, partially offset by the net cash generated from operating activities.

As at 31 December 2019, the Group had short-term deposits and bank balances of \$31.5m. After accounting for the borrowings of \$75.0m, the Group had a net debt position of \$43.5m and a net gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) of 8.5% which was the same as 31 December 2018. The Group's gross gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 14.6% as at 31 December 2019 compared to 15.0% as at 31 December 2018.

## **14 ANY VARIANCE BETWEEN PROSPECT STATEMENT PREVIOUSLY DISCLOSED AND THE ACTUAL RESULTS**

No forecast or prospect statement has been previously disclosed.

## 15 GROUP OUTLOOK

The 2019 novel coronavirus outbreak in Wuhan, China in December 2019 (“COVID-19”) quickly spread internationally despite efforts to contain it. How the outbreak will turn out is currently unclear and a prolonged outbreak is anticipated. COVID-19 and measures to fight it will result in economic slowdown and lower ridership. In response to the evolving coronavirus situation, the Group has also increased the frequency of cleaning of its premises, buses and trains.

Notwithstanding the 7% fare adjustment which took effect from 29 December 2019, the Group, in particular the rail business, will continue to face rising cost from operations and maintenance. Repairs and maintenance costs are expected to increase with the on-going NEL/SPLRT fleet mid-life refurbishment, ageing bus and train fleets and continued investments in predictive maintenance capabilities to enhance service reliability. Staff costs are expected to be higher following salary adjustments and increments to retain and attract staff.



**16 DIVIDEND****(a) Current Financial Period Reported on**

The Directors are pleased to propose a tax-exempt one-tier final dividend of 5.90 cents (2018: 7.10 cents) per ordinary share.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	5.90 cents
Tax Rate	Exempt one-tier

**(b) Corresponding Period of the Immediate Preceding Financial Year**

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	7.10 cents
Tax Rate	Exempt one-tier

**(c) Date Payable**

The proposed final dividend, if approved by the Shareholders at the Twenty-Seventh Annual General Meeting of the Company to be held on 23 April 2020, will be payable on 12 May 2020.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 5 May 2020 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO building, Singapore 048544, up to 5.00 p.m. on 4 May 2020 will be registered to determine Shareholders' entitlements to the final dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 4 May 2020 will be entitled to the proposed final dividend.

## 17 GROUP SEGMENTAL INFORMATION

By Business Activity

	<b>Public Transport Services</b>	<b>Other Commercial Services</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><u>Full Year 2019</u></b>			
Revenue	1,383,335	61,962	1,445,297
<b><u>Results</u></b>			
Segment results	61,948	41,538	103,486
Net income from investments			137
Finance costs			(4,249)
Profit before taxation			99,374
Taxation			(18,086)
Profit after taxation			<u>81,288</u>
<b><u>Full Year 2018</u></b>			
Revenue	1,325,327	58,286	1,383,613
<b><u>Results</u></b>			
Segment results	60,210	37,091	97,301
Net income from investments			274
Finance costs			(3,390)
Profit before taxation			94,185
Taxation			(14,083)
Profit after taxation			<u>80,102</u>

## 18 BREAKDOWN OF REVENUE

	<b>Full Year 2019</b>	<b>Full Year 2018</b>	<b>Incr/ (Decr)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
(a) Revenue reported for first half year	709,292	673,097	5.4
(b) Profit after taxation reported for first half year	44,851	36,190	23.9
(a) Revenue reported for second half year	736,005	710,516	3.6
(b) Profit after taxation reported for second half year	36,437	43,912	(17.0)

**19 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)**

	<b>Full Year 2019 \$'000</b>	<b>Full Year 2018 \$'000</b>
Ordinary shares (tax-exempt one-tier)		
- Interim	22,298	18,077
- Final (proposed)	18,400	22,139
<b>Total</b>	<b>40,698</b>	<b>40,216</b>

**20 INTERESTED PERSON TRANSACTIONS**

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

**21 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2019, none of the persons occupying managerial positions in the Company or its subsidiary is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

**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.

**BY ORDER OF THE BOARD**

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

13 February 2020