



**SBS TRANSIT LTD**

Company Registration No.: 199206653M

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**Condensed Interim Financial Statements for Half-Year ended 30 June 2021**

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The Board of Directors announces the unaudited results for the Half-Year ended 30 June 2021.

**A CONDENSED INTERIM GROUP INCOME STATEMENT**

	Note	Group		Incr/ (Decr) %
		1st Half 2021 \$'000	1st Half 2020 \$'000	
<b>Revenue</b>		640,818	603,225	6.2
Staff costs		314,516	295,894	6.3
Repairs and maintenance costs		95,476	101,734	(6.2)
Fuel and electricity costs		67,528	47,609	41.8
Premises costs		23,470	20,570	14.1
Depreciation expense		51,664	52,030	(0.7)
Other operating costs		49,985	53,176	(6.0)
Total operating costs		<u>602,639</u>	<u>571,013</u>	5.5
<b>Operating profit</b>	5	38,179	32,212	18.5
Net income from investments		107	131	(18.3)
Finance costs		(758)	(1,825)	(58.5)
<b>Profit before taxation</b>		<u>37,528</u>	<u>30,518</u>	23.0
Tax (expense) credit	6	(1,053)	2,064	NM
<b>Profit attributable to shareholders</b>		<u><u>36,475</u></u>	<u><u>32,582</u></u>	11.9
<b>Operating Profit (Loss) before COVID-19 Government reliefs</b>		<b>3,579</b>	<b>(29,365)</b>	<b>NM</b>
COVID-19 Government reliefs		34,600	61,577	(43.8)
<b>Operating Profit after COVID-19 Government reliefs</b>		<b><u><u>38,179</u></u></b>	<b><u><u>32,212</u></u></b>	<b><u><u>18.5</u></u></b>

Please refer to paragraph G2 for a detailed explanation of the Group's financial performance.

NM – Not meaningful

**B CONDENSED INTERIM GROUP COMPREHENSIVE INCOME STATEMENT**

	<b>Group</b>	
	<b>1st Half 2021</b>	<b>1st Half 2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit attributable to shareholders</b>	36,475	32,582
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	-	(366)
<b>Total comprehensive income attributable to shareholders</b>	<u>36,475</u>	<u>32,216</u>

**Earnings per ordinary share - Basic and Diluted**

	<b>Group</b>	
	<b>1st Half 2021</b>	<b>1st Half 2020</b>
Based on weighted average number of ordinary shares in issue (cents)	11.70	10.45

## C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 Jun	31 Dec	30 Jun	31 Dec
		2021	2020	2021	2020
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Short-term deposits and bank balances		147,834	85,560	144,203	84,376
Trade receivables		132,497	152,393	130,761	149,865
Other receivables and prepayments		108,902	137,630	421,145	425,705
Inventories		111,885	111,980	81,327	84,674
Total current assets		501,118	487,563	777,436	744,620
<b>Non-current assets</b>					
Subsidiary		-	-	5,000	5,000
Prepayments		6,202	6,455	6,051	6,292
Net Investment on sublease		109	191	109	191
Vehicles, premises and equipment	9	569,071	618,897	552,170	601,439
Deferred tax assets		32,327	26,695	-	-
Total non-current assets		607,709	652,238	563,330	612,922
<b>Total assets</b>		<b>1,108,827</b>	<b>1,139,801</b>	<b>1,340,766</b>	<b>1,357,542</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	10	-	25,000	-	25,000
Lease liabilities	10	11,010	12,215	11,010	12,215
Trade and other payables		255,806	250,098	210,319	213,795
Deposits received		4,358	3,915	3,177	3,561
Deferred grants		17,120	24,042	13,227	15,662
Provision for accident claims		17,865	19,630	17,865	19,630
Fuel price equalisation account		19,992	19,992	19,992	19,992
Income tax payable		35,852	31,903	35,852	31,903
Total current liabilities		362,003	386,795	311,442	341,758
<b>Non-current liabilities</b>					
Lease liabilities	10	45,789	59,311	45,789	59,311
Deferred grants		5,409	5,843	5,409	5,843
Deposits received		6,926	5,818	5,243	4,692
Deferred tax liabilities		53,002	62,676	53,002	62,676
Provision for service benefits and long service awards		11,852	12,340	11,269	11,759
Fuel price equalisation account		19,992	19,992	19,992	19,992
Total non-current liabilities		142,970	165,980	140,704	164,273
<b>Total liabilities</b>		<b>504,973</b>	<b>552,775</b>	<b>452,146</b>	<b>506,031</b>
<b>Capital and reserves</b>					
Share capital	11	100,499	100,499	100,499	100,499
Other reserves		40,265	40,265	40,265	40,265
Accumulated profits		463,090	446,262	747,856	710,747
Total equity		603,854	587,026	888,620	851,511
<b>Total liabilities and equity</b>		<b>1,108,827</b>	<b>1,139,801</b>	<b>1,340,766</b>	<b>1,357,542</b>

## D CONDENSED INTERIM GROUP CASH FLOW STATEMENT

	Group	
	1st Half	1st Half
	2021	2020
Note	<u>\$'000</u>	<u>\$'000</u>
<b>Operating activities</b>		
Profit before taxation	37,528	30,518
Adjustments for:		
Depreciation expense	51,664	52,030
Finance costs	758	1,825
Net gain on disposal of vehicles and equipment	(143)	(344)
Interest income	(107)	(131)
Provision for service benefits and long service awards	158	961
Provision for accident claims	240	1,838
Allowance for inventory obsolescence	3,777	6,790
(Write-back) Allowance for expected credit losses	(291)	423
Operating cash flows before movements in working capital	<u>93,584</u>	<u>93,910</u>
Changes in working capital	42,597	5,955
Cash generated from operations	<u>136,181</u>	<u>99,865</u>
Income tax paid	(12,410)	(3,532)
Interest paid arising from leases	(718)	(1,094)
Net cash from operating activities	<u>123,053</u>	<u>95,239</u>
<b>Investing activities</b>		
Interest received	89	99
Proceeds from disposal of vehicles and equipment	195	1,055
Purchase of vehicles, premises and equipment	(11,096)	(8,579)
Net cash used in investing activities	<u>(10,812)</u>	<u>(7,425)</u>
<b>Financing activities</b>		
New loans raised	4,000	55,500
Repayment of borrowings	(29,000)	(55,500)
Payments under lease liabilities	(5,268)	(5,595)
Interest paid	(52)	(735)
Dividends paid	7 (19,647)	(18,400)
Net cash used in financing activities	<u>(49,967)</u>	<u>(24,730)</u>
Net increase in cash and cash equivalents	62,274	63,084
Cash and cash equivalents at beginning of period	<u>85,560</u>	<u>31,463</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>147,834</u></u>	<u><u>94,547</u></u>

**E CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

	<b>Group</b>			
	<b>Attributable to shareholders of the Company</b>			
	<b>Share capital \$'000</b>	<b>Other reserves \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2021</b>	100,499	40,265	446,262	587,026
<b>Total comprehensive income for the period</b>				
Profit for the period			36,475	36,475
<b>Total</b>	-	-	36,475	36,475
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(19,647)	(19,647)
<b>Total</b>	-	-	(19,647)	(19,647)
<b>Balance at 30 June 2021</b>	<b>100,499</b>	<b>40,265</b>	<b>463,090</b>	<b>603,854</b>

	<b>Group</b>			
	<b>Attributable to shareholders of the Company</b>			
	<b>Share capital \$'000</b>	<b>Other reserves \$'000</b>	<b>Accumulated profits \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 1 January 2020</b>	100,499	40,543	385,699	526,741
<b>Total comprehensive income (expense) for the period</b>				
Profit for the period	-	-	32,582	32,582
Other comprehensive expense for the period	-	(366)	-	(366)
<b>Total</b>	-	(366)	32,582	32,216
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(18,400)	(18,400)
<b>Total</b>	-	-	(18,400)	(18,400)
<b>Balance at 30 June 2020</b>	<b>100,499</b>	<b>40,177</b>	<b>399,881</b>	<b>540,557</b>

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2021</b>	100,499	40,265	710,747	851,511
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	56,756	56,756
<b>Total</b>	-	-	56,756	56,756
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(19,647)	(19,647)
<b>Total</b>	-	-	(19,647)	(19,647)
<b>Balance at 30 June 2021</b>	<b>100,499</b>	<b>40,265</b>	<b>747,856</b>	<b>888,620</b>

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2020</b>	100,499	40,285	609,749	750,533
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	53,362	53,362
Other comprehensive income for the period	-	14	-	14
<b>Total</b>	-	14	53,362	53,376
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(18,400)	(18,400)
<b>Total</b>	-	-	(18,400)	(18,400)
<b>Balance at 30 June 2020</b>	<b>100,499</b>	<b>40,299</b>	<b>644,711</b>	<b>785,509</b>

## F NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company (Registration No. 199206653M) is incorporated in Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiary (collectively, the Group).

The principal activities of the Company are those of the provision of public transport services, namely bus and rail services.

The principal activities of the subsidiary are those of the operation and maintenance of Downtown Line.

### 2. BASIS OF PREPARATION

The condensed interim financial statements for the Half-Year ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2020.

In the current financial period, the Group has adopted all the new and revised SFRS(I)s that are relevant to its operations and effective for annual periods beginning on 1 January 2021.

The condensed interim financial statements are expressed in Singapore dollars which is the Company's functional currency.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### 2.2 Use of judgements and estimates

In the application of the Group's accounting policies, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

### ***Critical judgements in applying the Group's accounting policies***

The following are the critical judgements, apart from those involving estimates (see below), that Management has made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements:

#### Provision for rail contract

One of the Mass Rapid Transit Systems has been making consecutive losses since the commencement of its operations. Management, who continue to engage the authorities on the review of its New Rail Financing Framework (NRFF) terms for this rail contract to ensure long-term financial sustainability, have assessed and concluded that no provision for rail contract is required as at 30 June 2021. Accordingly, the Group has not made provisions on the basis.

### ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

##### (a) Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the reporting period and estimated amounts payable. The past claims history and payment are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims.

##### (b) Retirement benefits

Retirement benefits subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the retirement age and on completion of at least five years of service. Provision is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.

##### (c) Long service awards

Staff with more than 15 years of service are entitled to long service awards of \$500 for 15 years of service, \$700 for 20 years, \$900 for 25 years, \$1,100 for 30 years and \$1,300 for 35 years. Provision is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.



#### Allowance for inventory obsolescence

The Group's inventories comprised mainly parts, accessories and consumable stock required for the operation and maintenance of vehicles and equipment.

The Group's recognition basis for inventory allowance is enhanced to take into account the rail contract term in determining its useful life as the rail contract term approaches mid-life. In addition, Management identifies inventories that are slow moving and evaluates the carrying value of inventories. An allowance for inventory obsolescence is recognised for these inventories based on its useful life and inventory turnover.

#### Useful lives of vehicles, premises and equipment

The Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting period. As at the end of the reporting period, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

### **3. SEGMENT AND REVENUE INFORMATION**

The Group operates principally in Singapore.

Following the developments in the public transport industry, the Group's business segment information reported to the Group's chief operating decision maker for purposes of resource allocation and assessment of segment performance are based on the following:

- (a) Public Transport Services: Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems.
  
- (b) Other Commercial Services: Income is generated substantially through -
  - (i) advertisements on buses and trains and at bus interchanges and rail stations; and
  - (ii) rental collections from commercial and shop space at bus interchanges and rail stations.

**Segment revenue and expense:** Segment revenue and expense are the operating revenue and expense reported in the Group's Profit or Loss that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

**Segment assets and liabilities:** Segment assets include all operating assets used by a segment and consist principally of operating receivables, inventories and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of accounts payable and accruals.

### 3.1 Segment information

	<u>Public Transport Services</u>	<u>Other Commercial Services</u>	<u>Total</u>
	\$'000	\$'000	\$'000
<b><u>First Half 2021</u></b>			
Revenue	621,407	19,411	640,818
<b><u>Results</u></b>			
Segment results	27,825	10,354	38,179
Net income from investments			107
Finance costs			(758)
Profit before taxation			<u>37,528</u>
Tax expense			(1,053)
Profit attributable to shareholders			<u><u>36,475</u></u>
<b>OTHER INFORMATION</b>			
Depreciation expense	50,787	877	51,664
<b><u>First Half 2020</u></b>			
Revenue	586,785	16,440	603,225
<b><u>Results</u></b>			
Segment results	21,243	10,969	32,212
Net income from investments			131
Finance costs			(1,825)
Profit before taxation			<u>30,518</u>
Tax credit			2,064
Profit attributable to shareholders			<u><u>32,582</u></u>
<b>OTHER INFORMATION</b>			
Depreciation expense	51,225	805	52,030

	<b>Public Transport Services</b>	<b>Other Commercial Services</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b><u>30 June 2021</u></b>			
<b>ASSETS</b>			
Segment assets	912,109	17,156	929,265
Unallocated corporate assets			179,562
Consolidated total assets			<u>1,108,827</u>
<b>LIABILITIES</b>			
Segment liabilities	386,796	17,396	404,192
Unallocated corporate liabilities			100,781
Consolidated total liabilities			<u>504,973</u>
<b>OTHER INFORMATION</b>			
Addition of vehicles, premises and equipment	10,849	500	11,349
<b><u>31 December 2020</u></b>			
<b>ASSETS</b>			
Segment assets	1,008,330	20,615	1,028,945
Unallocated corporate assets			110,856
Consolidated total assets			<u>1,139,801</u>
<b>LIABILITIES</b>			
Segment liabilities	380,672	25,301	405,973
Unallocated corporate liabilities			146,802
Consolidated total liabilities			<u>552,775</u>
<b>OTHER INFORMATION</b>			
Addition of vehicles, premises and equipment	14,198	1,047	15,245

### 3.2 Revenue

Revenue is generated from the provision of bus and rail services to commuters travelling on public transport systems. Revenue from transport services are mainly contracts with the Government (public sector) in Singapore for an average of 7 years. Included in the revenue from transport services are performance incentives from transport regulator for achieving certain performance and service quality targets. These performance incentives accounted for approximately 5% (1H 2020: 5%) of the total revenue.

Revenue from Public Transport Services and Other Commercial Services are recognised over time.

#### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Amortised cost	366,777	358,919	679,227	647,336
<b>Financial Liabilities</b>				
Amortised cost	246,337	263,922	197,996	226,454

#### 5. OPERATING PROFIT

##### 5.1 Significant items

	Group	
	1st Half 2021	1st Half 2020
	\$'000	\$'000
Cost of inventories recognised in repairs and maintenance costs	64,564	62,230
Net gain on disposal of vehicles and equipment	(143)	(344)
Allowance for inventory obsolescence	3,777	6,790
(Write-back) Allowance for expected credit losses	(291)	423
Provision for accident claims	240	1,838
Provision for service benefits and long service awards	158	961
Government grants (COVID-19 related)	(34,600)	(61,577)

##### 5.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## 6. TAX EXPENSE (CREDIT)

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2020: 17%) to profit before taxation as a result of the following differences:

	Group	
	1st Half 2021	1st Half 2020
	\$'000	\$'000
Current income tax expense	16,359	8,489
Deferred tax	(15,306)	(10,553)
Total	<u>1,053</u>	<u>(2,064)</u>

## 7. DIVIDENDS

	Group	
	1st Half 2021	1st Half 2020
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous financial year: - 6.30 cents (2020 : 5.90 cents) per ordinary share	19,647	18,400
	<u>19,647</u>	<u>18,400</u>

## 8. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share based on issued share capital (dollars)	1.94	1.88	2.85	2.73

## 9. VEHICLES, PREMISES AND EQUIPMENT

During the six months ended 30 June 2021, the addition to vehicles, premises and equipment owned and adjustment to Right-of-use assets for the Group amounted to \$1,890,000 (30 June 2020: \$5,667,000) and disposal of vehicles, premises and equipment owned amounted to a net book value of \$52,000 (30 June 2020: \$711,000). Depreciation for the six months ended 30 June 2021 was \$51,664,000 (30 June 2020: \$52,030,000).

## 10. AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND LEASE LIABILITIES

	<u>30 Jun</u> <u>2021</u> <u>\$'000</u>	<u>31 Dec</u> <u>2020</u> <u>\$'000</u>
<b><u>Borrowings</u></b>		
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	-	25,000
<b><u>Lease Liabilities</u></b>		
<b>Secured</b>		
Amount repayable in one year or less, or on demand	11,010	12,215
Amount repayable after one year	45,789	59,311
	<u>56,799</u>	<u>71,526</u>

### Details of any collateral

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

## 11. SHARE CAPITAL

	<u>The Group and The Company</u>			
	<u>30 Jun</u> <u>2021</u>	<u>31 Dec</u> <u>2020</u>	<u>30 Jun</u> <u>2021</u>	<u>31 Dec</u> <u>2020</u>
	Number ('000) of		\$'000	\$'000
Issued and paid up				
At beginning and end of period	311,865	311,865	100,499	100,499

As at 30 June 2021, the Company does not hold any treasury shares.

## 12. SUBSEQUENT EVENTS

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## **G OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2**

### **1. REVIEW**

The condensed interim financial statements and certain explanatory notes have not been audited or reviewed.

### **2. REVIEW OF GROUP PERFORMANCE**

#### **Performance Review**

The ongoing COVID-19 pandemic continues to disrupt the normal operations of the economy. The initial Phase 2 (Heightened Alert "HA") from 16 May to 13 June 2021 had affected economic activities as social gathering group size was reduced to 2 and dining-in at all Food and Beverage establishments was not allowed. With the outbreak of community cases in July, the nation returned to Phase 2 (HA) from 22 July 2021, and restrictions on social interaction and dining-in were reimposed.

While SBS Transit saw slow and steady improvement in rail ridership in the first quarter of the year, the restrictions on social interaction and dining-in during the two periods of Phase 2 (HA) drove ridership down. Working from home remains the default during Phase 2 (HA). Government Grants for 1H 2021 was also significantly reduced as compared to the same period last year.

Group revenue of \$640.8m for 1H 2021 increased by 6.2% or \$37.6m from \$603.2m for the same period last year (1H 2020) while Group operating costs of \$602.6m for 1H 2021 increased by 5.5% or \$31.6m from \$571.0m for 1H 2020.

Group operating profit of \$38.2m for 1H 2021 was 18.5% or \$6.0m higher than that of \$32.2m for 1H 2020.

The profit generated in 1H 2021 was largely lifted by Government Grants of \$34.6m, comprising mainly the Jobs Support Scheme (JSS). Without the Government Grants, the Group would have recorded an operating profit of \$3.6m for 1H 2021. These Government Grants cushioned the adverse financial impact due to COVID-19 where we continue to experience a much reduced ridership compared to pre-COVID period, rental rebates given to tenants and reduced advertising income.

Net income from investments of \$107k for 1H 2021 was 18.3% or \$24k lower than that of \$131k for 1H 2020.

Finance costs of \$0.8m for 1H 2021 were 58.5% or \$1.0m lower than that of \$1.8m for 1H 2020.

Consequently, Group profit before taxation of \$37.5m for 1H 2021 was 23.0% or \$7.0m higher than that of \$30.5m for 1H 2020.

Tax expense for 1H 2021 was \$1.1m as compared to tax credit of \$2.1m for 1H 2020.

Group profit attributable to shareholders of the Company of \$36.5m for 1H 2021 was 11.9% or \$3.9m higher than that of \$32.6m for 1H 2020.

Revenue from Public Transport Services of \$621.4m for 1H 2021 was higher by 5.9% or \$34.6m compared to \$586.8m for 1H 2020 due mainly to higher rail fare revenue from improved ridership from circuit breaker in 2020, higher service fees from higher fuel indexation offset by lower mileage and higher other operating income. For 1H 2021, average daily ridership for North-East Line (NEL) grew by 16.9% to 388k passenger trips and that for the Light Rail Transit (SPLRT) by 24.5% to 110k passenger trips as compared to that of 1H 2020. Average daily ridership for the Downtown Line (DTL) grew by 10.5% to 279k passenger trips as compared to that of 1H 2020. Operating profit for 1H 2021 at \$27.8m increased by 31.0% or \$6.6m from \$21.2m for 1H 2020 due mainly to higher revenue and lower repairs and maintenance costs, offset by higher fuel and electricity costs and higher staff costs.

Revenue from Other Commercial Services of \$19.4m for 1H 2021 was higher by 18.1% or \$3.0m compared to \$16.4m for 1H 2020 due mainly to higher advertising revenue mostly attributable to more rail and bus campaigns rolled out as compared to the lower advertising activity during the circuit breaker during 1H 2020 and lower rental rebates given to tenants. Operating profit for 1H 2021 at \$10.4m decreased by 5.6% or \$0.6m compared to \$11.0m for 1H 2020 due mainly to higher premises costs, offset by higher revenue.

### **Statement of Financial Position**

As at 30 June 2021, total equity for the Group increased by 2.9% or \$16.8m to \$603.9m as compared to 31 December 2020 due mainly to profits generated from operations, partially offset by the dividends paid.

Group total assets decreased by 2.7% or \$31.0m to \$1,108.8m due to a decrease in non-current assets of \$44.5m, partially offset by an increase in current assets of \$13.6m. The decrease in non-current assets was due mainly to the depreciation of vehicles, premises and equipment. The increase in current assets was due mainly to the increase in short-term deposits and bank balances, partially offset by decrease in trade and other receivables.

Group total liabilities decreased by 8.6% or \$47.8m to \$505.0m due to decreases in current liabilities of \$24.8m and non-current liabilities of \$23.0m. The decrease in current liabilities was due mainly to the repayment of borrowings. The decrease in non-current liabilities was due mainly to decreases in lease liabilities and deferred tax liabilities.

### **Cash Flow**

The net cash inflow of \$62.3m for 1H 2021 was from net cash generated from operating activities, partially offset by the repayment of borrowings, payment of dividends and purchase of vehicles, premises and equipment.

As at 30 June 2021, the Group had short-term deposits and bank balances of \$147.8m. After accounting for the borrowings of \$25.0m as at 30 June 2020, the Group's gross gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 4.4%.

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

No forecast or prospect statement has been previously disclosed.



#### 4. GROUP OUTLOOK

The Multi-Ministry Taskforce had earlier announced the reversion to Phase 2 (Heightened Alert) from 22 July 2021 through 18 August 2021 to contain the outbreak of clusters in the community. Since then, infection numbers have stabilised. On 6 August 2021, the Multi-Ministry Taskforce did a mid-point review of the Phase 2 (Heightened Alert) measures, and announced a two-step approach in the easing of COVID-19 measures. The first step took effect on 10 August 2021 (Preparatory Stage) and the second step will take effect from 19 August 2021, if the COVID-19 conditions in Singapore remain stable. Under the Preparatory Stage, dining-in restrictions will be relaxed with vaccinated individuals being able to dine in bigger group size. Event sizes and capacity limits for large events will be increased to up to 500 attendees if all are vaccinated. In the second step, event sizes and capacity limits for large events will be further increased to allow up to 1,000 vaccinated attendees and up to 50% of employees are allowed to return to the workplace.

Revenue from Public Transport Services is expected to be higher as compared to last year as ridership is expected to improve after the easing of COVID-19 restrictions as vaccination coverage continues to rise. Ridership is unlikely to recover to pre-COVID level in the near future as more companies adopt work from home arrangements for their employees. Revenue from Bus service is expected to be higher due to fuel indexation.

Revenue from Other Commercial Services is expected to improve in line with steady ridership recovery. However, the overall growth is dependent on market sentiments and the economy's rate of recovery.

The Group continues to face rising costs from operations.

Staff costs are expected to be higher with salary adjustments and increments carried out to retain and attract good staff and lower government reliefs, which will be significantly less in 2H 2021, as the JSS tapers down. Repairs and maintenance costs are expected to increase with the on-going mid-life refurbishment of the NEL/SPLRT fleet, ageing bus and train fleets and continued investments in predictive maintenance capabilities to enhance service reliability. The rising energy prices will increase the overall fuel and electricity spend. Meanwhile, the Group also continues to step up the frequency of its cleaning and disinfection schedules at its premises and on its buses and trains to keep passengers and employees safe while the number of staff undergoing random testing to check for the presence of the COVID-19 virus will increase as part of our workplace protection measures. This is despite the fact that 94% of our staff have already been vaccinated and more will be encouraged to do so.

As we move into 2H 2021, the business will continue to be affected by the poor general economic outlook and lower ridership. The global COVID-19 situation remains fluid as the world, including Singapore, battles with the emergence of the new COVID variants. If new and more contagious variants emerge, this could possibly lead to a delay in the further easing of COVID-19 curbs or even result in stricter measures being reimposed. If so, this will have an impact on the gradual planned resumption of the economy. Hence the Group continues to maintain a cautious outlook for the rest of the financial year.

#### 5. DIVIDEND

##### (a) Current Financial Period Reported on

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 5.75 cents (2020: NIL) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	5.75 cents
Tax Rate	Exempt one-tier

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

There was no interim dividend declared for FY2020.

**(c) Date Payable**

The interim dividend will be paid on 1 September 2021.

**(d) Record Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 20 August 2021 at 5.00 p.m. for the purposes of determining Shareholders' entitlements to the interim 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 20 August 2021 will be registered to determine Shareholders' entitlements to the interim 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 20 August 2021 will be entitled to the interim dividend.

**6. INTERESTED PERSON TRANSACTIONS**

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

**7. 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.

**8. 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 First Half 2021 financial results to be false or misleading in any material aspect.

ON BEHALF OF THE DIRECTORS

Bob Tan Beng Hai  
Chairman

Cheng Siak Kian  
Chief Executive Officer

**BY ORDER OF THE BOARD**

Angeline Joyce Lee Siang Pohr  
Company Secretary

12 August 2021