



**SBS TRANSIT LTD**  
Company Registration No.: 199206653M

**Unaudited Condensed Interim Consolidated Financial Statements for the Half year  
ended 30 June 2022 and Dividend Announcement**

CONTENTS

	Page
A. CONDENSED INTERIM GROUP INCOME STATEMENT	1
B. CONDENSED INTERIM GROUP COMPREHENSIVE INCOME STATEMENT	2
C. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION	3
D. CONDENSED INTERIM GROUP CASH FLOW STATEMENT	4
E. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY	5
F. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	7
G. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2	17

**A CONDENSED INTERIM GROUP INCOME STATEMENT**

	Note	Group		
		1st Half	1st Half	Incr/
		2022	2021	(Decr)
		\$'000	\$'000	%
<b>Revenue</b>		732,396	640,818	14.3
Staff costs		372,357	314,516	18.4
Repairs and maintenance costs		88,836	95,476	(7.0)
Fuel and electricity costs		120,452	67,528	78.4
Premises costs		21,768	23,470	(7.3)
Depreciation expense		47,623	51,664	(7.8)
Other operating costs		38,353	49,985	(23.3)
<b>Total operating costs</b>		<b>689,389</b>	<b>602,639</b>	<b>14.4</b>
<b>Operating profit</b>	5	43,007	38,179	12.6
Net income from investments		552	107	415.9
Finance costs		(775)	(758)	2.2
<b>Profit before taxation</b>		<b>42,784</b>	<b>37,528</b>	<b>14.0</b>
Tax expense	6	(8,143)	(1,053)	673.3
<b>Profit attributable to shareholders</b>		<b>34,641</b>	<b>36,475</b>	<b>(5.0)</b>

<b>Operating Profit before COVID-19</b>			
<b>Government reliefs</b>	<b>43,007</b>	<b>3,579</b>	<b>NM</b>
COVID-19 Government reliefs	-	34,600	NM
<b>Operating Profit after COVID-19</b>			
<b>Government reliefs</b>	<b>43,007</b>	<b>38,179</b>	<b>12.6</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 2022</b>	<b>1st Half 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Profit attributable to shareholders</b>	34,641	36,475
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	309	-
<b>Total comprehensive income attributable to shareholders</b>	<b>34,950</b>	<b>36,475</b>

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

	<b>Group</b>	
	<b>1st Half 2022</b>	<b>1st Half 2021</b>
Based on weighted average number of ordinary shares in issue (cents)	11.11	11.70

## C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

Note	Group		Company	
	30 Jun	31 Dec	30 Jun	31 Dec
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
	246,963	204,034	244,375	201,974
Short-term deposits and bank balances				
Trade and other receivables	256,231	253,372	560,499	490,545
Inventories	108,106	101,482	15,035	73,340
Total current assets	611,300	558,888	819,909	765,859
<b>Non-current assets</b>				
	-	-	100,000	100,000
Subsidiary	1,988	4,605	455	4,538
Prepayments	-	28	-	28
Net Investment on sublease	520,346	563,200	470,646	537,610
Vehicles, premises and equipment	32,108	27,065	-	-
Deferred tax assets	554,442	594,898	571,101	642,176
Total non-current assets				
<b>Total assets</b>	<b>1,165,742</b>	<b>1,153,786</b>	<b>1,391,010</b>	<b>1,408,035</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
	10,734	11,131	10,734	11,131
Lease liabilities	287,280	298,567	199,796	240,620
Trade and other payables	3,957	3,766	1,748	2,657
Deposits received	3,110	-	959	-
Deferred grants	14,760	16,075	14,760	16,075
Provision for accident claims	19,992	19,992	19,992	19,992
Fuel price equalisation account	44,464	33,879	44,464	33,879
Income tax payable	384,297	383,410	292,453	324,354
Total current liabilities				
<b>Non-current liabilities</b>				
	73,390	80,481	73,390	80,481
Lease liabilities	4,693	4,772	4,382	4,772
Deferred grants	7,202	7,284	2,317	5,475
Deposits received	35,578	44,619	35,578	44,619
Deferred tax liabilities	11,708	11,663	9,972	11,081
Provision for service benefits and long service awards	19,992	19,992	18,892	19,992
Fuel price equalisation account	152,563	168,811	144,531	166,420
Total non-current liabilities				
<b>Total liabilities</b>	<b>536,860</b>	<b>552,221</b>	<b>436,984</b>	<b>490,774</b>
<b>Capital and reserves</b>				
	100,499	100,499	100,499	100,499
Share capital	41,058	40,749	40,265	40,501
Other reserves	487,325	460,317	813,262	776,261
Accumulated profits	628,882	601,565	954,026	917,261
Total equity				
<b>Total liabilities and equity</b>	<b>1,165,742</b>	<b>1,153,786</b>	<b>1,391,010</b>	<b>1,408,035</b>

## D CONDENSED INTERIM GROUP CASH FLOW STATEMENT

	Note	Group	
		1st Half	1st Half
		2022	2021
		\$'000	\$'000
<b>Operating activities</b>			
Profit before taxation		42,784	37,528
Adjustments for:			
Depreciation expense		47,623	51,664
Finance costs		775	758
Net gain on disposal of vehicles and equipment		(818)	(143)
Interest income		(552)	(107)
Provision for service benefits and long service awards		737	158
Provision for accident claims		253	240
Allowance for inventory obsolescence		4,101	3,777
Allowance (write-back) for expected credit losses		9	(291)
Operating cash flows before movements in working capital		94,912	93,584
Changes in working capital		(23,286)	42,597
Cash generated from operations		71,626	136,181
Income tax paid		(11,705)	(12,410)
Interest paid arising from leases		(775)	(718)
Net cash from operating activities		59,146	123,053
<b>Investing activities</b>			
Interest received		238	89
Proceeds from disposal of vehicles and equipment		1,355	195
Purchase of vehicles, premises and equipment		(5,024)	(11,096)
Net cash used in investing activities		(3,431)	(10,812)
<b>Financing activities</b>			
New loans raised		-	4,000
Repayment of borrowings		-	(29,000)
Payments under lease liabilities		(5,153)	(5,268)
Interest paid		-	(52)
Dividends paid	7	(7,641)	(19,647)
Others		8	-
Net cash used in financing activities		(12,786)	(49,967)
Net increase in cash and cash equivalents		42,929	62,274
Cash and cash equivalents at beginning of period		204,034	85,560
<b>Cash and cash equivalents at end of period</b>		<b>246,963</b>	<b>147,834</b>

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

	<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 2022</b>	<b>100,499</b>	<b>40,749</b>	<b>460,317</b>	<b>601,565</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	34,641	34,641
Other comprehensive income for the period	-	309	-	309
<b>Total</b>	<b>-</b>	<b>309</b>	<b>34,641</b>	<b>34,950</b>
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(7,641)	(7,641)
Other reserves	-	-	8	8
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(7,633)</b>	<b>(7,633)</b>
<b>Balance at 30 June 2022</b>	<b>100,499</b>	<b>41,058</b>	<b>487,325</b>	<b>628,882</b>

	<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 2021</b>	<b>100,499</b>	<b>40,265</b>	<b>446,262</b>	<b>587,026</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	36,475	36,475
<b>Total</b>	<b>-</b>	<b>-</b>	<b>36,475</b>	<b>36,475</b>
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(19,647)	(19,647)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(19,647)</b>	<b>(19,647)</b>
<b>Balance at 30 June 2021</b>	<b>100,499</b>	<b>40,265</b>	<b>463,090</b>	<b>603,854</b>

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2022</b>	100,499	40,501	776,261	917,261
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	44,634	44,634
Other comprehensive expense for the period	-	(236)	-	(236)
<b>Total</b>	-	(236)	44,634	44,398
<b>Transactions recognised directly in equity</b>				
Payment of dividends	-	-	(7,641)	(7,641)
Other reserves	-	-	8	8
<b>Total</b>	-	-	(7,633)	(7,633)
<b>Balance at 30 June 2022</b>	<b>100,499</b>	<b>40,265</b>	<b>813,262</b>	<b>954,026</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>

## **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 2022 comprise the Company and its subsidiary (collectively, the Group).

The principal activities of the Company are those of the provision of public bus transport services. Prior to 1 January 2022, the operation of the North-East Mass Rapid Transit System (NEL), Sengkang Light Rapid Transit System and the Punggol Light Rapid Transit System (SPLRT) were operating under the Company. These have since been transferred to the wholly-owned subsidiary on 1 January 2022, in line with the transition to the New Rail Financing Framework (Version 2).

The principal activities of the subsidiary are those of the operation of the Downtown Mass Rapid Transit System (DTL), NEL and SPLRT.

### **2. BASIS OF PREPARATION**

The condensed interim consolidated financial statements for the Half-year ended 30 June 2022 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 condensed interim consolidated 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 2021.

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 2021.

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 2022.

The condensed interim consolidated 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 2021.



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

As the COVID-19 pandemic is still on-going, the timing of the recovery of travel and economic activities to pre-COVID-19 levels is uncertain and there could be significant shifts in ridership patterns and fare adjustments. In projecting the future financial performance of the DTL, NEL and SPLRT under the Consolidated Rail Licence, significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, taking into consideration the timing of the recovery of travel and economic activities to pre-COVID-19 levels. Based on Management's assessment, no provision for rail contract is required.

### ***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 terms of the rail licence contract and useful life of buses are considered in the determination of the useful life of the inventories. In addition to identification of obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended, Management identifies inventories that are slow moving (i.e. stocks with no movement for 2 years and beyond) 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. 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.

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

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
<b><u>First Half 2022</u></b>			
Revenue	710,467	21,929	732,396
<b><u>Results</u></b>			
Segment results	30,944	12,063	43,007
Net income from investments			552
Finance costs			(775)
Profit before taxation			42,784
Tax expense			(8,143)
Profit attributable to shareholders			<u>34,641</u>
<b>OTHER INFORMATION</b>			
Depreciation expense	45,213	2,410	47,623
<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			37,528
Tax expense			(1,053)
Profit attributable to shareholders			<u>36,475</u>
<b>OTHER INFORMATION</b>			
Depreciation expense	50,787	877	51,664

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
<b>STATEMENT OF FINANCIAL POSITION</b>			
<b><u>30 June 2022</u></b>			
<b>ASSETS</b>			
Segment assets	862,105	25,570	887,675
Unallocated corporate assets			<u>278,067</u>
Consolidated total assets			<u><u>1,165,742</u></u>
<b>LIABILITIES</b>			
Segment liabilities	414,896	29,435	444,331
Unallocated corporate liabilities			<u>92,529</u>
Consolidated total liabilities			<u><u>536,860</u></u>
<b>OTHER INFORMATION</b>			
Addition of vehicles, premises and equipment	7,242	399	7,641
<b><u>31 December 2021</u></b>			
<b>ASSETS</b>			
Segment assets	900,513	23,327	923,840
Unallocated corporate assets			<u>229,946</u>
Consolidated total assets			<u><u>1,153,786</u></u>
<b>LIABILITIES</b>			
Segment liabilities	435,698	27,798	463,496
Unallocated corporate liabilities			<u>88,725</u>
Consolidated total liabilities			<u><u>552,221</u></u>
<b>OTHER INFORMATION</b>			
Addition of vehicles, premises and equipment	22,627	12,324	34,951

### 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 9 years. Included in the revenue from transport services are performance incentives from transport regulator for achieving certain performance and service quality targets, and other rail related services income. The performance incentives accounted for approximately 5% (2021: 5%) of the total revenue.

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

#### 4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at the end of the reporting period:

	Group		Company	
	30 Jun 2022 \$'000	31 Dec 2021 \$'000	30 Jun 2022 \$'000	31 Dec 2021 \$'000
<b>Financial Assets</b>				
Amortised cost	<u>476,560</u>	<u>438,998</u>	<u>792,500</u>	<u>681,069</u>
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	<u>956</u>	<u>653</u>	<u>-</u>	<u>319</u>
<b>Financial Liabilities</b>				
Amortised cost	<u>360,017</u>	<u>381,846</u>	<u>268,828</u>	<u>320,997</u>
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	<u>-</u>	<u>69</u>	<u>-</u>	<u>34</u>

## 5. OPERATING PROFIT

### 5.1 Significant items

	Group	
	1st Half 2022	1st Half 2021
	\$'000	\$'000
Cost of inventories recognised in repairs and maintenance costs	59,596	64,564
Net gain on disposal of vehicles and equipment	(818)	(143)
Allowance for inventory obsolescence	4,101	3,777
Allowance (write-back) for expected credit losses	9	(291)
Provision for accident claims	253	240
Provision for service benefits and long service awards	737	158
Government grants (COVID-19 related)	-	(34,600)

### 5.2 Related party transactions

The Company's immediate and ultimate holding company is ComfortDelGro Corporation Limited, incorporated in Singapore.

Related companies refer to members of the ultimate holding company's group of companies.

Related parties include associate or joint venture of a member of the ultimate holding company.

Intercompany and related party transactions during the financial period, other than those disclosed elsewhere in the notes to the condensed interim consolidated financial statements are as follows:

	Group	
	1st Half 2022	1st Half 2021
	\$'000	\$'000
Purchases of inventories from a related company	13,255	14,622
Shared services charged from ultimate holding company	2,354	1,034
Corporate services charged from ultimate holding company	2,066	1,850
Rental expense from:		
Ultimate holding company	1,413	1,433
Related company	330	330
Purchase of goods and services from related companies	1,981	1,925
Transfer of assets to ultimate holding company	(385)	-
Sales of goods and services to related companies	(838)	(527)
Rental income from related companies	(111)	(110)

## 6. TAX EXPENSE

The taxation charge varied from the amount of taxation charge determined by applying the Singapore income tax rate of 17% (2021: 17%) to profit before taxation as a result of the following differences:

	Group	
	1st Half 2022	1st Half 2021
	\$'000	\$'000
Current income tax expense	22,290	16,359
Deferred tax	(14,147)	(15,306)
Total	<u>8,143</u>	<u>1,053</u>

## 7. DIVIDENDS

	Group	
	1st Half 2022	1st Half 2021
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous financial year:		
- 2.45 cents (2021: 6.30 cents) per ordinary share	7,641	19,647

## 8. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2022	31 Dec 2021	30 Jun 2022	31 Dec 2021
Net asset value per ordinary share based on issued share capital (dollars)	2.02	1.93	3.06	2.94

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (i) quoted prices in active markets for identical assets or liabilities (Level 1);
- (ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- (iii) inputs for the asset or liability that are not based on observable market data (Level 3).

The fair values of the Group's investments are classified into Level 1. The Group's hedging instruments are classified into Level 2. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial period.

## 10. VEHICLES, PREMISES AND EQUIPMENT

During the six months ended 30 June 2022, the addition to vehicles, premises and equipment owned and adjustment to Right-of-use assets for the Group amounted to \$5,305,000 (30 June 2021: \$1,890,000) and disposal of vehicles, premises and equipment owned amounted to a net book value of \$537,000 (30 June 2021: \$52,000). Depreciation for the six months ended 30 June 2022 was \$47,623,000 (30 June 2021: \$51,664,000).

## 11. AGGREGATE AMOUNT OF GROUP'S LEASE LIABILITIES

	30 Jun 2022	31 Dec 2021
	\$'000	\$'000
<b><u>Lease Liabilities</u></b>		
<b>Secured</b>		
Amount repayable in one year or less, or on demand	10,734	11,131
Amount repayable after one year	73,390	80,481
	<u>84,124</u>	<u>91,612</u>

### Details of any collateral

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



## 12. SHARE CAPITAL

	Group and Company			
	30 Jun	31 Dec	30 Jun	31 Dec
	2022	2021	2022	2021
	Number ('000) of		\$'000	
	Ordinary shares			
Issued and paid up				
At beginning and end of period	311,865	311,865	100,499	100,499

As at 30 June 2022, the Company does not hold any treasury shares.

## 13. 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 consolidated financial statements and certain explanatory notes have not been audited or reviewed.

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

#### **Performance Review**

Group revenue of \$732.4m for 1H2022 increased by 14.3% or \$91.6m from \$640.8m for the same period last year (1H2021) while Group operating costs of \$689.4m for 1H2022 increased by 14.4% or \$86.8m from \$602.6m for 1H2021.

Group operating profit of \$43.0m for 1H2022 was 12.6% or \$4.8m higher than that of \$38.2m for 1H2021.

Net income from investments was \$0.5m for 1H2022 as compared to \$0.1m for 1H2021.

Finance costs of \$0.8m for 1H2022 remained the same as 1H2021.

Consequently, Group profit before taxation of \$42.8m for 1H2022 was 14.0% or \$5.3m higher than that of \$37.5m for 1H2021.

Tax expense for 1H2022 was \$8.1m as compared to \$1.1m for 1H2021 due mainly to tax exempt from Jobs Support Scheme in 1H2021 and higher profits.

Group profit attributable to shareholders of the Company of \$34.6m for 1H2022 was 5.0% or \$1.9m lower than that of \$36.5m for 1H2021.

Revenue from Public Transport Services of \$710.5m for 1H2022 was higher by 14.3% or \$89.1m compared to \$621.4m for 1H2021 due mainly to higher service fees from higher fuel indexation offset by lower mileage, higher rail fare revenue from higher ridership and higher other operating income. For 1H2022, average daily ridership for NEL grew by 14.6% to 445k passenger trips and that for the SPLRT by 16.1% to 128k passenger trips as compared to that of 1H2021. Average daily ridership for the DTL increased by 17.4% to 327k passenger trips as compared to that of 1H2021. Operating profit for 1H2022 at \$30.9m increased by 11.2% or \$3.1m from \$27.8m for 1H2021 due mainly to higher revenue, lower repairs and maintenance costs, lower depreciation expense and lower other operating costs mainly attributed to lower COVID-19 expenses and lower licence charges, partially offset by higher staff costs and higher fuel and electricity costs.

Revenue from Other Commercial Services of \$21.9m for 1H2022 was higher by 13.0% or \$2.5m compared to \$19.4m for 1H2021 due mainly to higher advertising revenue mostly attributable to more campaigns due to better economic conditions as a result of the easing of COVID-19 restrictions. Consequently, operating profit for 1H2022 at \$12.1m increased by 16.5% or \$1.7m compared to \$10.4m for 1H2021.

## Statement of Financial Position

As at 30 June 2022, total equity for the Group increased by 4.5% or \$27.3m to \$628.9m as compared to 31 December 2021 due mainly to profits generated from operations, partially offset by the dividends paid.

Group total assets increased by 1.0% or \$11.9m to \$1,165.7m due to an increase in current assets of \$52.4m, partially offset by a decrease in non-current assets of \$40.5m. The increase in current assets was due mainly to an increase in short-term deposits and bank balances and inventories. The decrease in non-current assets was due mainly to the depreciation of vehicles, premises and equipment, partially offset by the increase in deferred tax assets.

Group total liabilities decreased by 2.8% or \$15.4m to \$536.9m due to a decrease in non-current liabilities of \$16.3m, partially offset by an increase in current liabilities of \$0.9m. The decrease in non-current liabilities was due mainly to the decrease in deferred tax liabilities and lease liabilities.

## Cash Flow

The net cash inflow of \$42.9m for 1H2022 was from net cash generated from operating activities, partially offset by the payment of dividends, repayment of lease liabilities and purchase of vehicles, premises and equipment.

As at 30 June 2022, the Group had short-term deposits and bank balances of \$247.0m.

### 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 COVID-19 situation in Singapore has improved and stabilised. Group size restrictions and safe distancing requirements have since been lifted. All workers are allowed to return to office, up from the previous limit of 75%. However, the impact of hybrid working arrangement to ridership remains uncertain.

With the COVID-19 restrictions relaxed, we expect rail ridership and other commercial services revenue to improve. While bus revenue remains elevated due to higher fuel indexation, it will be reduced when the revised lower service fee rates for the five extended negotiated bus contracts takes effect from 1 September 2022.

The Group continues to face rising costs from operations with rising inflation. Operating costs, especially staff cost, is expected to be higher with the absence of the Job Support Scheme and higher wages contributed by the tight labour market in 2022. The elevated energy prices will continue to create cost pressure to fuel and electricity spend. Electricity prices in 1H2022 have increased by approximately 50% as compared to 1H2021.

The COVID-19 pandemic is still not over and new variants may continue to emerge, which may lead to restrictions to be reinstated. 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 5.45 cents (2021: 5.75 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	5.45 cents
Tax Rate	Exempt one-tier

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

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

### (c) Date Payable

The interim dividend will be paid on 25 August 2022.

### (d) Record Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on 18 August 2022 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, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on 18 August 2022 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 18 August 2022 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 2022 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

10 August 2022