



SBS TRANSIT LTD
Company Registration No.: 199206653M

**Unaudited Condensed Interim Consolidated Financial Statements for the Half year
ended 30 June 2023 and Dividend Announcement**

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A CONDENSED INTERIM GROUP INCOME STATEMENT

	Note	Group		
		1st Half	1st Half	Incr/
		2023	2022	(Decr)
		\$'000	\$'000	%
Revenue		744,382	732,396	1.6
Staff costs		375,392	372,357	0.8
Repairs and maintenance costs		87,554	88,836	(1.4)
Fuel and electricity costs		132,877	120,452	10.3
Premises costs		21,690	21,768	(0.4)
Depreciation expense		47,192	47,623	(0.9)
Other operating costs		43,583	38,353	13.6
Total operating costs		<u>708,288</u>	<u>689,389</u>	2.7
Operating profit	5	36,094	43,007	(16.1)
Interest income		6,295	552	NM
Finance costs		(650)	(775)	(16.1)
Profit before taxation		<u>41,739</u>	<u>42,784</u>	(2.4)
Tax expense	6	(6,951)	(8,143)	(14.6)
Profit attributable to shareholders		<u><u>34,788</u></u>	<u><u>34,641</u></u>	0.4

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

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000
Profit attributable to shareholders	34,788	34,641
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	96	309
Total comprehensive income attributable to shareholders	34,884	34,950

Earnings per ordinary share - Basic and Diluted

	Group	
	1st Half 2023	1st Half 2022
Based on weighted average number of ordinary shares in issue (cents)	11.15	11.11

C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 Jun	31 Dec	30 Jun	31 Dec
		2023	2022	2023	2022
		\$'000	\$'000 (Restated)	\$'000	\$'000 (Restated)
ASSETS					
Current assets					
Short-term deposits and bank balances		374,161	345,304	369,515	342,498
Trade and other receivables	10	265,009	261,132	186,601	184,930
Inventories		113,421	102,649	21,219	16,290
Total current assets		<u>752,591</u>	<u>709,085</u>	<u>577,335</u>	<u>543,718</u>
Non-current assets					
Subsidiaries		-	-	100,002	100,002
Prepayments		776	492	42	248
Due from subsidiaries		-	-	326,283	350,565
Net investment on sublease		73	-	73	-
Vehicles, premises and equipment	11	434,792	480,867	392,353	435,048
Deferred tax assets		20,729	20,750	-	-
Total non-current assets		<u>456,370</u>	<u>502,109</u>	<u>818,753</u>	<u>885,863</u>
Total assets		<u>1,208,961</u>	<u>1,211,194</u>	<u>1,396,088</u>	<u>1,429,581</u>
LIABILITIES AND EQUITY					
Current liabilities					
Lease liabilities	12	11,290	11,116	11,290	11,116
Trade and other payables	13	309,285	333,800	208,519	236,807
Deposits received		3,272	4,655	1,199	2,593
Deferred grants		26,080	-	-	-
Provisions		14,708	16,465	11,221	13,213
Fuel price equalisation account		20,102	19,992	19,442	19,992
Income tax payable		31,076	36,259	31,077	36,259
Total current liabilities		<u>415,813</u>	<u>422,287</u>	<u>282,748</u>	<u>319,980</u>
Non-current liabilities					
Lease liabilities	12	57,870	68,005	57,870	68,005
Deferred grants		4,634	4,349	4,463	4,104
Deposits received		7,964	6,862	3,020	1,905
Deferred tax liabilities		21,762	26,621	21,762	26,621
Provisions		16,835	16,757	13,175	13,649
Fuel price equalisation account		19,442	19,992	19,442	18,892
Total non-current liabilities		<u>128,507</u>	<u>142,586</u>	<u>119,732</u>	<u>133,176</u>
Total liabilities		<u>544,320</u>	<u>564,873</u>	<u>402,480</u>	<u>453,156</u>
Capital and reserves					
Share capital	14	100,783	100,499	100,783	100,499
Other reserves		40,309	40,072	40,726	40,444
Accumulated profits		523,549	505,750	852,099	835,482
Total equity		<u>664,641</u>	<u>646,321</u>	<u>993,608</u>	<u>976,425</u>
Total liabilities and equity		<u>1,208,961</u>	<u>1,211,194</u>	<u>1,396,088</u>	<u>1,429,581</u>

D CONDENSED INTERIM GROUP CASH FLOW STATEMENT

	Note	Group	
		1st Half	1st Half
		2023	2022
		\$'000	\$'000
Operating activities			
Profit before taxation		41,739	42,784
Adjustments for:			
Depreciation expense		47,192	47,623
Fuel price equalisation account		(440)	-
Finance costs		650	775
Net loss (gain) on disposal of vehicles and equipment		108	(818)
Interest income		(6,295)	(552)
Provisions		1,187	990
Allowance for inventory obsolescence		3,652	4,101
Allowance for expected credit losses		13	9
Share-based payment expense		425	-
Operating cash flows before movements in working capital		88,231	94,912
Changes in working capital		(16,422)	(23,286)
Cash generated from operations		71,809	71,626
Income tax paid		(16,992)	(11,705)
Interest paid arising from leases		(650)	(775)
Net cash from operating activities		54,167	59,146
Investing activities			
Interest received		3,447	238
Proceeds from disposal of vehicles and equipment		9	1,355
Purchase of vehicles, premises and equipment		(6,339)	(5,024)
Net cash used in investing activities		(2,883)	(3,431)
Financing activities			
Payments under lease liabilities		(5,438)	(5,153)
Dividends paid	7	(16,997)	(7,641)
Others		8	8
Net cash used in financing activities		(22,427)	(12,786)
Net increase in cash and cash equivalents		28,857	42,929
Cash and cash equivalents at beginning of period		345,304	204,034
Cash and cash equivalents at end of period		374,161	246,963

E CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Group			
	Attributable to shareholders of the Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	100,499	40,072	503,720	644,291
Amendment of SFRS(I) 1-12	-	-	2,030	2,030
Balance at 1 January 2023 (as restated)	100,499	40,072	505,750	646,321
Total comprehensive income for the period				
Profit for the period	-	-	34,788	34,788
Other comprehensive income for the period	-	96	-	96
Total	-	96	34,788	34,884
Transactions recognised directly in equity				
Payment of dividends	-	-	(16,997)	(16,997)
Shares issuance	284	(284)	-	-
Share-based payment	-	425	-	425
Other reserves	-	-	8	8
Total	284	141	(16,989)	(16,564)
Balance at 30 June 2023	100,783	40,309	523,549	664,641
Balance at 1 January 2022	100,499	40,749	460,317	601,565
Amendment of SFRS(I) 1-12	-	-	2,030	2,030
Balance at 1 January 2022 (as restated)	100,499	40,749	462,347	603,595
Total comprehensive income for the period				
Profit for the period	-	-	34,641	34,641
Other comprehensive income for the period	-	309	-	309
Total	-	309	34,641	34,950
Transactions recognised directly in equity				
Payment of dividends	-	-	(7,641)	(7,641)
Other reserves	-	-	8	8
Total	-	-	(7,633)	(7,633)
Balance at 30 June 2022	100,499	41,058	489,355	630,912

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2023	100,499	40,444	833,452	974,395
Amendment of SFRS(I) 1-12	-	-	2,030	2,030
Balance at 1 January 2023 (as restated)	100,499	40,444	835,482	976,425
Total comprehensive income for the period				
Profit for the period	-	-	33,606	33,606
Total	-	-	33,606	33,606
Transactions recognised directly in equity				
Payment of dividends	-	-	(16,997)	(16,997)
Shares issuance	284	(284)	-	-
Share-based payment	-	566	-	566
Other reserves	-	-	8	8
Total	284	282	(16,989)	(16,423)
Balance at 30 June 2023	100,783	40,726	852,099	993,608
Balance at 1 January 2022	100,499	40,501	776,261	917,261
Amendment of SFRS(I) 1-12	-	-	2,030	2,030
Balance at 1 January 2022 (as restated)	100,499	40,501	778,291	919,291
Total comprehensive income (expense) for the period				
Profit for the period	-	-	44,634	44,634
Other comprehensive expense for the period	-	(236)	-	(236)
Total	-	(236)	44,634	44,398
Transactions recognised directly in equity				
Payment of dividends	-	-	(7,641)	(7,641)
Other reserves	-	-	8	8
Total	-	-	(7,633)	(7,633)
Balance at 30 June 2022	100,499	40,265	815,292	956,056

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 2023 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Company are those of the provision of public bus transport services. The principal activities of the companies in the Group are in the business of provision of public transport services and the supporting services relating to land transport. The provision of public transport services includes the operation of public bus, Downtown Mass Rapid Transit System (DTL), North-East Mass Rapid Transit System (NEL) and Sengkang Light Rapid Transit System and the Punggol Light Rapid Transit System (SPLRT).

2. BASIS OF PREPARATION

The condensed interim consolidated financial statements for the Half-year ended 30 June 2023 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 2022.

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 2022.

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 2023.

The adoption of these new and revised SFRS(I)s has no material effect on the amounts reported for the current or prior years except as disclosed in Note 2.1.

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

The following are the new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 1-12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The above amendments apply for annual reporting periods beginning on or after 1 January 2023, which narrowed the scope of the recognition exemption of SFRS(I) 1-12 Income Taxes so that it no longer applies to transactions such as leases that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The Group applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. It also, at the beginning of the earliest comparative period presented, recognises deferred tax for all temporary differences related to leases and recognises the cumulative effect arising from the initial application of the amendments as an adjustment to the opening balance of retained earnings at that date.

The effects of the adoption of the above new or amended SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s are shown below.

	Group and Company
	1 January 2022
	\$'000
Increase in accumulated profits	2,030
Decrease in deferred tax liabilities	2,030

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 2022. 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

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. 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 serving more than 5 years and up to 35 years are entitled to long service awards. 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
<u>First Half 2023</u>			
Revenue	717,388	26,994	744,382
<u>Results</u>			
Segment results	18,338	17,756	36,094
Interest income			6,295
Finance costs			(650)
Profit before taxation			41,739
Tax expense			(6,951)
Profit attributable to shareholders			<u>34,788</u>
OTHER INFORMATION			
Depreciation expense	44,576	2,616	47,192
<u>First Half 2022</u>			
Revenue	710,467	21,929	732,396
<u>Results</u>			
Segment results	30,944	12,063	43,007
Interest income			552
Finance costs			(775)
Profit before taxation			42,784
Tax expense			(8,143)
Profit attributable to shareholders			<u>34,641</u>
OTHER INFORMATION			
Depreciation expense	45,213	2,410	47,623

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION			
<u>30 June 2023</u>			
ASSETS			
Segment assets	787,226	23,089	810,315
Unallocated corporate assets			<u>398,646</u>
Consolidated total assets			<u><u>1,208,961</u></u>
LIABILITIES			
Segment liabilities	453,278	31,094	484,372
Unallocated corporate liabilities			<u>59,948</u>
Consolidated total liabilities			<u><u>544,320</u></u>
OTHER INFORMATION			
Addition of vehicles, premises and equipment	5,119	936	6,055
<u>31 December 2022 (Restated)</u>			
ASSETS			
Segment assets	820,621	23,655	844,276
Unallocated corporate assets			<u>366,918</u>
Consolidated total assets			<u><u>1,211,194</u></u>
LIABILITIES			
Segment liabilities	462,890	27,070	489,960
Unallocated corporate liabilities			<u>74,913</u>
Consolidated total liabilities			<u><u>564,873</u></u>
OTHER INFORMATION			
Addition of vehicles, premises and equipment	13,671	1,124	14,795

3.2 Revenue

Revenue is substantially 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 3% (2022: 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 June	31 Dec	30 June	31 Dec
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Amortised cost	595,927	578,286	874,271	871,553
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	105	34	-	-
Financial Liabilities				
Amortised cost	377,747	409,562	270,454	297,055
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	607	652	-	-

5. OPERATING PROFIT

5.1 Significant items

	Group	
	1st Half	1st Half
	2023	2022
	\$'000	\$'000
Cost of inventories recognised in repairs and maintenance costs	48,592	59,596
Net loss (gain) on disposal of vehicles and equipment	108	(818)
Allowance for inventory obsolescence	3,652	4,101
Allowance for expected credit losses	13	9
Provision for accident claims	-	253
(Write-back) Provision for service benefits and long service awards	(653)	737
Provision for reinstatement and maintenance costs	1,840	-

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 2023	1st Half 2022
	\$'000	\$'000
Purchases of inventories from a related company	15,234	13,255
Shared services charged from ultimate holding company	2,287	2,354
Corporate services charged from ultimate holding company	2,151	2,066
Rental expense from:		
Ultimate holding company	1,487	1,413
Related company	303	330
Purchase of goods and services from related companies	2,311	1,981
Transfer of assets to ultimate holding company	-	(385)
Sales of goods and services to related companies	(862)	(838)
Rental income from related companies	(115)	(111)

6. TAX EXPENSE

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim group income statement are:

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000
Current income tax	11,809	22,290
Deferred tax	(4,858)	(14,147)
Total	6,951	8,143

7. DIVIDENDS

	Group	
	1st Half 2023	1st Half 2022
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous financial year - 5.45 cents (2022: 2.45 cents) per ordinary shares	16,997	7,641

8. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2023	31 Dec 2022 (Restated)	30 Jun 2023	31 Dec 2022 (Restated)
Net asset value per ordinary share based on issued share capital (dollars)	2.13	2.07	3.19	3.13

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 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. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30 Jun 2023 \$'000	31 Dec 2022 \$'000	30 Jun 2023 \$'000	31 Dec 2022 \$'000
Trade receivables from:				
Related companies (Note 5.2)	6	6	-	-
Outside parties	125,399	111,095	115,673	102,864
Accrued income	28,582	44,107	1,148	1,107
	153,987	155,208	116,821	103,971
Allowance for expected credit losses	(68)	(58)	(30)	(21)
	153,919	155,150	116,791	103,950
Other receivables from:				
Ultimate holding company (Note 5.2)	-	24	-	24
Related companies (Note 5.2)	3,010	2,867	1,057	1,723
Subsidiaries (Note 5.2)	-	-	401	-
Outside parties	52,932	69,041	53,783	69,576
	55,942	71,932	55,241	71,323
Prepayments	43,215	28,116	8,201	6,441
Interest receivable	4,392	1,544	4,392	1,544
Staff advances	381	368	76	60
Security deposits from outside parties	1,182	1,118	1,152	1,089
Accrued income	5,744	2,810	514	429
Net investment on sublease	239	96	239	96
	111,095	105,984	69,815	80,982
Allowance for expected credit losses	(5)	(2)	(5)	(2)
	111,090	105,982	69,810	80,980
Total current trade and other receivables	265,009	261,132	186,601	184,930
Non-current other receivables due from subsidiaries (Note 5.2)	-	-	326,283	350,565
Total	265,009	261,132	512,884	535,495

The amounts outstanding are interest-free and the credit period ranges from 7 to 30 days (2022 : 7 to 30 days).

11. VEHICLES, PREMISES AND EQUIPMENT

During the six months ended 30 June 2023, the addition to vehicles, premises and equipment owned and adjustment to Right-of-use assets for the Group amounted to \$1,235,000 (30 June 2022: \$5,305,000) and disposal of vehicles, premises and equipment owned amounted to a net book value of \$117,000 (30 June 2022: \$537,000). Depreciation for the six months ended 30 June 2023 was \$47,192,000 (30 June 2022: \$47,623,000).

12. AGGREGATE AMOUNT OF GROUP'S LEASE LIABILITIES

	<u>Group and Company</u>	
	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Lease Liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	11,290	11,116
Amount repayable after one year	<u>57,870</u>	<u>68,005</u>
	<u>69,160</u>	<u>79,121</u>
Details of any collateral		

The Group's obligations are secured by the lessors' title to the leased assets for such leases.

13. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Payables to:				
Ultimate holding company (Note 5.2)	3,442	2,668	3,354	2,658
Subsidiaries (Note 5.2)	-	-	-	2
Related companies (Note 5.2)	5,077	4,290	4,542	3,699
Outside parties	78,504	71,520	50,880	60,461
Accruals	218,789	252,158	148,199	168,531
Deferred income	<u>3,473</u>	<u>3,164</u>	<u>1,544</u>	<u>1,456</u>
Total	<u>309,285</u>	<u>333,800</u>	<u>208,519</u>	<u>236,807</u>

The amounts outstanding are interest-free and the average credit period is 30 days (2022 : 30 days).

14. SHARE CAPITAL

	Group and Company			
	30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
	Number ('000) of Ordinary shares		\$'000	\$'000
Issued and paid up:				
At beginning of period	311,865	311,865	100,499	100,499
Issued during the year	101	-	284	-
At end of period	<u>311,966</u>	<u>311,865</u>	<u>100,783</u>	<u>100,499</u>

As at 30 June 2023, the Company does not hold any treasury shares.

15. 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 \$744.4m for 1H2023 increased by 1.6% or \$12.0m from \$732.4m for the same period last year (1H2022) while Group operating costs of \$708.3m for 1H2023 increased by 2.7% or \$18.9m from \$689.4m for 1H2022.

Group operating profit of \$36.1m for 1H2023 was 16.1% or \$6.9m lower than that of \$43.0m for 1H2022.

Interest income of \$6.3m for 1H2023 was \$5.8m higher than that of \$0.5m for 1H2022.

Finance costs of \$0.7m for 1H2023 were 16.1% or \$0.1m lower than that of \$0.8m for 1H2022.

Consequently, Group profit before taxation of \$41.7m for 1H2023 was 2.4% or \$1.1m lower than that of \$42.8m for 1H2022.

Tax expense for 1H2023 was \$7.0m as compared to \$8.1m for 1H2022.

Group profit attributable to shareholders of the Company of \$34.8m for 1H2023 was 0.4% or \$0.2m higher than that of \$34.6m for 1H2022.

Revenue from Public Transport Services of \$717.4m for 1H2023 was higher by 1.0% or \$6.9m compared to \$710.5m for 1H2022 due mainly to higher rail ridership and higher bus mileage, partially offset by lower fuel indexation for bus service fee. For 1H2023, average daily ridership for NEL grew by 25.4% to 558k passenger trips and that for the SPLRT by 22.8% to 157k passenger trips as compared to that of 1H2022. Average daily ridership for the DTL increased by 32.2% to 433k passenger trips as compared to that of 1H2022. Operating profit for 1H2023 at \$18.3m decreased by 40.7% or \$12.6m from \$30.9m for 1H2022 due mainly to higher fuel and electricity costs arising from the higher electricity tariff, higher staff costs and higher other operating costs, partially offset by higher revenue.

Revenue from Other Commercial Services of \$27.0m for 1H2023 was higher by 23.1% or \$5.1m compared to \$21.9m for 1H2022 due mainly to higher advertising revenue from more campaigns due to improved economic conditions as a result of the easing of the COVID-19 restrictions and higher ridership. Consequently, operating profit for 1H2023 at \$17.8m increased by 47.2% or \$5.7m compared to \$12.1m for 1H2022.

Statement of Financial Position

As at 30 June 2023, total equity for the Group increased by 2.8% or \$18.3m to \$664.6m as compared to 31 December 2022 due mainly to profits generated from operations, partially offset by the dividends paid.

Group total assets decreased by 0.2% or \$2.2m to \$1,209.0m due to a decrease in non-current assets of \$45.7m, partially offset by an increase in current assets of \$43.5m. 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 and inventories.

Group total liabilities decreased by 3.6% or \$20.6m to \$544.3m due to decrease in non-current and current liabilities of \$14.1m and \$6.5m respectively. The decrease in non-current liabilities was due mainly to the decrease in lease liabilities and deferred tax liabilities. The decrease in current liabilities was due mainly to the decrease in trade and other payables and income tax payable, partially offset by the deferred grants received.

Cash Flow

The net cash inflow of \$28.9m for 1H2023 was mainly from net cash generated from operating activities, partially offset by the payment of dividends, purchase of vehicles, premises and equipment and repayment of lease liabilities.

As at 30 June 2023, the Group had short-term deposits and bank balances of \$374.2m.

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

No forecast or prospect statement has been previously disclosed.

4. GROUP OUTLOOK

Total revenue is expected to stabilise. However, the Group maintains a cautious outlook due to cost uncertainties arising from inflation, tight labour market and energy prices.

5. DIVIDEND

(a) Current Financial Period Reported on

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 5.58 cents (2022: 5.45 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	5.58 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	5.45 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The interim dividend will be paid on 30 August 2023.

(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 22 August 2023 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 22 August 2023 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 22 August 2023 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 2023 financial results to be false or misleading in any material aspect.

ON BEHALF OF THE DIRECTORS

Bob Tan Beng Hai
Chairman

Jeffrey Sim Vee Ming
Group Chief Executive Officer

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Company Secretary

14 August 2023