



SBS TRANSIT LTD
Company Registration No.: 199206653M

**Unaudited Condensed Interim Consolidated Financial Statements for the Half year
ended 30 June 2024 and Dividend Announcement**

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A CONDENSED INTERIM GROUP INCOME STATEMENT

		Group		
	Note	1st Half 2024 \$'000	1st Half 2023 \$'000	Incr/ (Decr) %
Revenue		781,353	744,382	5.0
Staff costs		379,229	375,392	1.0
Repairs and maintenance costs		103,336	87,554	18.0
Fuel and electricity costs		142,988	132,877	7.6
Premises costs		23,240	21,690	7.1
Depreciation expense		43,260	47,192	(8.3)
Other operating costs		54,599	43,583	25.3
Total operating costs		<u>746,652</u>	<u>708,288</u>	5.4
Operating profit	5	34,701	36,094	(3.9)
Interest income		5,914	6,295	(6.1)
Finance costs		(404)	(650)	(37.8)
Profit before taxation		<u>40,211</u>	<u>41,739</u>	(3.7)
Tax expense	6	(6,513)	(6,951)	(6.3)
Profit attributable to shareholders		<u><u>33,698</u></u>	<u><u>34,788</u></u>	(3.1)

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

B CONDENSED INTERIM GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	1st Half 2024	1st Half 2023
	\$'000	\$'000
Profit attributable to shareholders	33,698	34,788
<i>Items that may be reclassified subsequently to Profit or Loss</i>		
Fair value adjustment on cash flow hedges	714	96
Total comprehensive income attributable to shareholders	<u>34,412</u>	<u>34,884</u>
 Earnings per share based on weighted average number of ordinary shares in issue (in cents):		
Basic	<u>10.80</u>	<u>11.15</u>
Diluted	<u>10.79</u>	<u>11.15</u>

C CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30 Jun	31 Dec	30 Jun	31 Dec
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Short-term deposits and bank balances		329,894	371,965	326,909	368,892
Trade and other receivables	10	333,861	304,478	241,734	211,403
Inventories		127,884	119,876	32,432	25,019
Total current assets		<u>791,639</u>	<u>796,319</u>	<u>601,075</u>	<u>605,314</u>
Non-current assets					
Subsidiaries		-	-	100,002	100,002
Prepayments		780	1,476	65	35
Due from subsidiaries		-	-	368,740	347,292
Vehicles, premises and equipment	11	322,572	353,546	283,917	314,594
Deferred tax assets		21,625	20,855	-	-
Total non-current assets		<u>344,977</u>	<u>375,877</u>	<u>752,724</u>	<u>761,923</u>
Total assets		<u>1,136,616</u>	<u>1,172,196</u>	<u>1,353,799</u>	<u>1,367,237</u>
LIABILITIES AND EQUITY					
Current liabilities					
Lease liabilities	12	9,103	10,523	9,103	10,523
Trade and other payables	13	280,302	333,920	182,562	209,545
Deposits received		4,247	4,046	1,787	1,450
Deferred grants		8,491	-	-	-
Provisions		17,301	16,079	15,082	14,674
Fuel price equalisation account		19,442	19,442	19,442	19,442
Income tax payable		26,310	28,293	26,305	28,275
Total current liabilities		<u>365,196</u>	<u>412,303</u>	<u>254,281</u>	<u>283,909</u>
Non-current liabilities					
Lease liabilities	12	6,369	8,787	6,369	8,787
Deferred grants		3,532	4,064	3,532	3,966
Deposits received		7,308	7,367	2,580	2,960
Deferred tax liabilities		20,865	22,424	20,865	22,424
Provisions		14,228	15,725	11,807	11,624
Fuel price equalisation account		19,442	19,442	19,442	19,442
Total non-current liabilities		<u>71,744</u>	<u>77,809</u>	<u>64,595</u>	<u>69,203</u>
Total liabilities		<u>436,940</u>	<u>490,112</u>	<u>318,876</u>	<u>353,112</u>
Capital and reserves					
Share capital	14	101,436	100,783	101,436	100,783
Other reserves		41,510	40,861	41,218	41,283
Accumulated profits		556,730	540,440	892,269	872,059
Total equity		<u>699,676</u>	<u>682,084</u>	<u>1,034,923</u>	<u>1,014,125</u>
Total liabilities and equity		<u>1,136,616</u>	<u>1,172,196</u>	<u>1,353,799</u>	<u>1,367,237</u>

D CONDENSED INTERIM GROUP CASH FLOW STATEMENT

	Note	Group	
		1st Half	1st Half
		2024	2023
		\$'000	\$'000
Operating activities			
Profit before taxation		40,211	41,739
Adjustments for:			
Depreciation expense		43,260	47,192
Fuel price equalisation account		-	(440)
Finance costs		404	650
Net (gain) loss on disposal of vehicles and equipment		(11)	108
Interest income		(5,914)	(6,295)
Provisions		3,012	1,187
Allowance for inventory obsolescence		6,597	3,652
Allowance for expected credit losses		55	13
Share-based payment expense		588	425
Operating cash flows before movements in working capital		88,202	88,231
Changes in working capital		(91,237)	(16,422)
Cash (used in) generated from operations		(3,035)	71,809
Income tax paid		(10,971)	(16,992)
Interest paid arising from leases		(360)	(650)
Net cash (used in) from operating activities		(14,366)	54,167
Investing activities			
Interest received		5,127	3,447
Proceeds from disposal of vehicles and equipment		50	9
Purchase of vehicles, premises and equipment		(9,461)	(6,339)
Net cash used in investing activities		(4,284)	(2,883)
Financing activities			
Payments under lease liabilities		(6,013)	(5,438)
Dividends paid	7	(17,408)	(16,997)
Others		-	8
Net cash used in financing activities		(23,421)	(22,427)
Net (decrease) increase in cash and cash equivalents		(42,071)	28,857
Cash and cash equivalents at beginning of period		371,965	345,304
Cash and cash equivalents at end of period		329,894	374,161

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 2024	100,783	40,861	540,440	682,084
Total comprehensive income for the period				
Profit for the period	-	-	33,698	33,698
Other comprehensive income for the period	-	714	-	714
Total	-	714	33,698	34,412
Transactions recognised directly in equity				
Payment of dividends	-	-	(17,408)	(17,408)
Shares issuance	653	(653)	-	-
Share-based payment	-	588	-	588
Total	653	(65)	(17,408)	(16,820)
Balance at 30 June 2024	101,436	41,510	556,730	699,676
Balance at 1 January 2023	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

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2024	100,783	41,283	872,059	1,014,125
Total comprehensive income for the period				
Profit for the period	-	-	37,618	37,618
Total	-	-	37,618	37,618
Transactions recognised directly in equity				
Payment of dividends	-	-	(17,408)	(17,408)
Shares issuance	653	(653)	-	-
Share-based payment	-	588	-	588
Total	653	(65)	(17,408)	(16,820)
Balance at 30 June 2024	101,436	41,218	892,269	1,034,923
Balance at 1 January 2023	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

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 2024 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 consultancy 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 2024 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 2023.

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 2023.

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 2024.

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 2023.

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, or in the 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 and recoverability of debt and equity instruments in a subsidiary

The Group applies judgement in evaluating whether the consolidated rail contract is an onerous contract and whether there are indicators of impairment and significant increase in credit risks in respect to the Company's debt and equity investments in SBS Transit Rail Pte. Ltd. ("SBST Rail" or the "subsidiary"). It considers the projection of the future financial performance of the DTL, NEL and SPLRT under the Consolidated Rail Licence applying appropriate key assumptions relating to ridership growth, fare adjustments, availability of grants from the Authorities and operating costs projections. The Group also considers external information regarding forecasted economic indicators and geopolitical risk factors that could affect key operating costs drivers such as labour and energy costs.

Accounting for contracts with public transport regulator

The Group's Public Transport Services segment has entered into contracts with the public transport regulator (the "Grantor") in Singapore whereby the Group operates bus and train assets and related infrastructure that are either owned by the Group or leased from the Grantor (the "Public Transport Assets") to provide public transportation services. As part of determining the appropriate accounting treatments for these contracts, the Group applies judgement to determine whether these public-to-private arrangements are within the scope of SFRS(I) INT 12 Service Concession Arrangements that would affect the manner that the Public Transport Assets, the related expenditures incurred by the Group, the service and fare income earned by the Group, and payments made to the Grantor under these contracts are recognised in the Group's Statement of Financial Position and Income Statement. The applicability of SFRS(I) INT 12 is based on an assessment of whether the Grantor has both the control over the services to be provided using the Assets, and the residual interests at the end of the contract.

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 as well as the Group's insurance coverage are taken into account to estimate the amounts in which the Group will have to pay to third parties for such claims.

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 used in the Group's Public Transport Services segment.

Management identifies and provides for obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended. For inventories that are still held for operations, Management considers economic obsolescence risk due to the limited timeframe for cost recovery from the related train or bus service revenues, which is expected to end by the expiry of the current licence agreement or the useful life of the buses respectively. Consequently, Management has estimated the obsolescence allowance by adopting a systematic straight-line write-down for spares that are aged 2 years and above till the end of the licence period or useful life of the buses.

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, including the consideration of climate-related matters, such as climate-related legislation and regulations or the Group's sustainability commitments that may restrict the use of assets. During the financial period, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

Recoverability of the Company's investment in subsidiary and non-trade receivables due from subsidiary

Investment in a subsidiary is tested for impairment whenever there is indication that the investment may be impaired. Where there is an indication of impairment, the recoverable amount is estimated based on the higher of the value-in-use and the fair value less costs of disposal of the investment. The Company has estimated the value-in-use of the equity investment in SBST Rail based on estimates of the future cash flows generated by SBST Rail and application of a suitable discount rate in order to calculate the present value of the cash flows. The Company has also made assessment of the expected credit loss ("ECL") of non-trade receivables due from SBST Rail that is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The above assessments involve projections of the subsidiary's future operating and financial performance during and beyond the current Consolidated Rail Licence prepared based on key assumptions and estimates including but not limited to ridership growth, fare adjustments, availability of grants from the Authorities and operating costs, after taking into consideration the current ridership patterns, fare adjustments, key operating cost drivers and the relevant risk factors. It also involves determining and applying an appropriate market-based discount rate to the discounted cash flow model. Management concluded that there is no impairment required as at 30 June 2024.

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 under contracts with the transport regulator.

- (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 2024</u>			
Revenue	754,278	27,075	781,353
<u>Results</u>			
Segment results	26,999	7,702	34,701
Interest income			5,914
Finance costs			(404)
Profit before taxation			40,211
Tax expense			(6,513)
Profit attributable to shareholders			33,698
OTHER INFORMATION			
Depreciation expense	40,776	2,484	43,260
<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			34,788
OTHER INFORMATION			
Depreciation expense	44,576	2,616	47,192

	Public Transport Services	Other Commercial Services	Total
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
STATEMENT OF FINANCIAL POSITION			
<u>30 June 2024</u>			
ASSETS			
Segment assets	756,068	26,632	782,700
Unallocated corporate assets			<u>353,916</u>
Consolidated total assets			<u><u>1,136,616</u></u>
LIABILITIES			
Segment liabilities	358,651	27,361	386,012
Unallocated corporate liabilities			<u>50,928</u>
Consolidated total liabilities			<u><u>436,940</u></u>
OTHER INFORMATION			
Addition of vehicles, premises and equipment	7,412	2,745	10,157
<u>31 December 2023</u>			
ASSETS			
Segment assets	756,700	21,288	777,988
Unallocated corporate assets			<u>394,208</u>
Consolidated total assets			<u><u>1,172,196</u></u>
LIABILITIES			
Segment liabilities	398,265	27,751	426,016
Unallocated corporate liabilities			<u>64,096</u>
Consolidated total liabilities			<u><u>490,112</u></u>
OTHER INFORMATION			
Addition of vehicles, premises and equipment	13,162	1,515	14,677

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 10 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% (2023: 3%) 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
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Amortised cost	618,553	642,915	928,705	922,336
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	352	-	-	-
Financial Liabilities				
Amortised cost	284,415	328,046	180,912	200,690
Lease liabilities	15,472	19,310	15,472	19,310
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	-	509	-	-

5. OPERATING PROFIT

5.1 Significant items

	Group	
	1st Half	1st Half
	2024	2023
	\$'000	\$'000
Cost of inventories recognised in repairs and maintenance costs	71,031	48,592
Net (gain) loss on disposal of vehicles and equipment	(11)	108
Allowance for inventory obsolescence	6,597	3,652
Allowance for expected credit losses	55	13
Provision for accident claims	1,751	-
Provision (Write-back) for service benefits	410	(653)
Provision for reinstatement and maintenance costs	851	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 2024	1st Half 2023
	\$'000	\$'000
Purchases of inventories from a related company	15,753	15,234
Shared services charged from ultimate holding company	2,154	2,287
Corporate services charged from ultimate holding company	2,230	2,151
Rental expense from:		
Ultimate holding company	1,605	1,487
Related company	267	303
Purchase of goods and services from related companies	2,506	2,311
Sales of goods and services to related companies	(830)	(862)
Rental income from related companies	(120)	(115)

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 2024	1st Half 2023
	\$'000	\$'000
Current income tax	8,989	11,809
Deferred tax	(2,476)	(4,858)
Total	6,513	6,951

7. DIVIDENDS

	<u>Group</u>	
	<u>1st Half</u>	<u>1st Half</u>
	<u>2024</u>	<u>2023</u>
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous financial year - 5.58 cents (2023: 5.45 cents) per ordinary share	17,408	16,997

8. NET ASSET VALUE PER ORDINARY SHARE

	<u>Group</u>		<u>Company</u>	
	<u>30 Jun</u>	<u>31 Dec</u>	<u>30 Jun</u>	<u>31 Dec</u>
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Net asset value per ordinary share based on issued share capital (dollars)	2.24	2.19	3.31	3.25

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 as 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 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
	\$'000	\$'000	\$'000	\$'000
Trade receivables from:				
Related companies (Note 5.2)	508	672	-	-
Outside parties	157,688	144,024	144,383	133,836
Accrued income	36,842	52,223	904	1,119
	195,038	196,919	145,287	134,955
Allowance for expected credit losses	(120)	(59)	(38)	(25)
	194,918	196,860	145,249	134,930
Other receivables from:				
Ultimate holding company (Note 5.2)	-	4	-	4
Related companies (Note 5.2)	1,551	2,073	402	1,740
Subsidiaries (Note 5.2)	-	-	1,553	1,250
Outside parties	81,828	64,465	81,348	64,114
	83,379	66,542	83,303	67,108
Prepayments	44,850	33,528	8,678	5,251
Interest receivable	2,507	1,720	2,507	1,720
Staff advances	404	584	89	220
Security deposits from outside parties	1,492	1,263	1,402	1,234
Accrued income	6,167	3,761	362	714
Net investment on sublease	146	228	146	228
	138,945	107,626	96,487	76,475
Allowance for expected credit losses	(2)	(8)	(2)	(2)
	138,943	107,618	96,485	76,473
Total current trade and other receivables	333,861	304,478	241,734	211,403
Non-current other receivables due from subsidiaries (Note 5.2)	-	-	368,740	347,292
Total	333,861	304,478	610,474	558,695

The amounts outstanding are interest-free and the credit period ranges from 7 to 30 days (2023: 7 to 30 days).

11. VEHICLES, PREMISES AND EQUIPMENT

During the six months ended 30 June 2024, the addition to vehicles, premises and equipment (including transfer from intercompany) amounted to \$10,157,000 (30 June 2023: \$6,056,000) and disposal of vehicles, premises and equipment owned amounted to a net book value of \$39,000 (30 June 2023: \$117,000). As at 30 June 2024, the Group has entered into new leases amounting to \$2,074,000 (30 June 2023: Nil) and has remeasured its leases due to changes in lease term and change in future lease payments from change in index or rate which are not considered as lease modification under SFRS(I) 16 amounting to \$83,000 (30 Jun 2023: \$4,821,000).

12. AGGREGATE AMOUNT OF GROUP'S LEASE LIABILITIES

	<u>Group and Company</u>	
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
<u>Lease Liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	9,103	10,523
Amount repayable after one year	6,369	8,787
	<u>15,472</u>	<u>19,310</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 2024</u>	<u>31 Dec 2023</u>	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Payables to:				
Ultimate holding company (Note 5.2)	3,055	2,753	3,032	2,697
Related companies (Note 5.2)	4,382	6,257	3,920	5,542
Outside parties	82,242	95,748	62,156	60,355
Accruals	187,183	226,255	111,803	139,479
Deferred income	3,440	2,907	1,651	1,472
Total	<u>280,302</u>	<u>333,920</u>	<u>182,562</u>	<u>209,545</u>

The amounts outstanding are interest-free and the average credit period is 30 days (2023: 30 days).

14. SHARE CAPITAL

	<u>Group and Company</u>			
	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>	<u>30 Jun 2024</u>	<u>31 Dec 2023</u>
	<u>Number ('000) of Ordinary shares</u>		<u>\$'000</u>	<u>\$'000</u>
Issued and paid up:				
At beginning of period	311,966	311,865	100,783	100,499
Issued during the period	239	101	653	284
At end of period	<u>312,205</u>	<u>311,966</u>	<u>101,436</u>	<u>100,783</u>

As at 30 June 2024, 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 \$781.4m for 1H2024 increased by 5.0% or \$37.0m from \$744.4m for the same period last year (1H2023) while Group operating costs of \$746.7m for 1H2024 increased by 5.4% or \$38.4m from \$708.3m for 1H2023.

Group operating profit of \$34.7m for 1H2024 was 3.9% or \$1.4m lower than that of \$36.1m for 1H2023.

Interest income of \$5.9m for 1H2024 was \$0.4m lower than that of \$6.3m for 1H2023.

Finance costs of \$0.4m for 1H2024 were 37.8% or \$0.3m lower than that of \$0.7m for 1H2023.

Consequently, Group profit before taxation of \$40.2m for 1H2024 was 3.7% or \$1.5m lower than that of \$41.7m for 1H2023.

Tax expense for 1H2024 was \$6.5m as compared to \$7.0m for 1H2023.

Group profit attributable to shareholders of the Company of \$33.7m for 1H2024 was 3.1% or \$1.1m lower than that of \$34.8m for 1H2023.

Revenue from Public Transport Services of \$754.3m for 1H2024 was higher by 5.1% or \$36.9m compared to \$717.4m for 1H2023 due mainly to annual bus service fees indexation and higher rail ridership and average fare. For 1H2024, average daily ridership for NEL grew by 5.4% to 588k passenger trips and that for the SPLRT by 4.9% to 165k passenger trips as compared to that of 1H2023. Average daily ridership for the DTL increased by 6.7% to 462k passenger trips as compared to that of 1H2023. Operating profit for 1H2024 at \$27.0m increased by 47.2% or \$8.7m from \$18.3m for 1H2023 due mainly to higher revenue, partially offset by higher repair and maintenance costs, higher fuel and electricity costs arising from higher electricity consumption and higher diesel price, and higher other operating costs.

Revenue from Other Commercial Services of \$27.1m for 1H2024 was higher by 0.3% or \$0.1m compared to \$27.0m for 1H2023. Operating profit for 1H2024 at \$7.7m decreased by 56.6% or \$10.1m compared to \$17.8m for 1H2023 due mainly to advertising concession fee payable from 1 January 2024 under the new rail advertising concession agreement, higher staff costs and higher other operating costs.

Statement of Financial Position

As at 30 June 2024, total equity for the Group increased by 2.6% or \$17.6m to \$699.7m as compared to 31 December 2023 due mainly to profits generated from operations, partially offset by the dividends paid.

Group total assets decreased by 3.0% or \$35.6m to \$1,136.6m due to a decrease in non-current assets and current asset of \$30.9m and \$4.7m respectively. The decrease in non-current assets was due mainly to the depreciation of vehicles, premises and equipment. The decrease in current assets was due mainly to the decrease in short-term deposits and bank balances, partially offset by increase in trade and other receivables and inventories.

Group total liabilities decreased by 10.8% or \$53.2m to \$436.9m due to decrease in current and non-current liabilities of \$47.1m and \$6.1m respectively. The decrease in current liabilities was due mainly to the decrease in trade and other payables, partially offset by the deferred grants received. The decrease in non-current liabilities was due mainly to the decrease in lease liabilities, deferred tax liabilities and provisions.

Cash Flow

The net cash outflow of \$42.1m for 1H2024 was due mainly to dividends paid, net cash used in financing activities and purchase of vehicles, premises and equipment.

As at 30 June 2024, the Group had short-term deposits and bank balances of \$329.9m.

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

No forecast or prospect statement has been previously disclosed.

4. GROUP OUTLOOK

Rail operations revenue is expected to grow in line with the steady growth in ridership.

Bus operations revenue will see a drop with the expiry of Jurong West bus package on 31 August 2024.

We have been awarded the contract to continue to operate the Seletar Bus Package. This new five-year contract will take effect from March 2025, with an option for the Land Transport Authority to further extend by two to five years.

Tight labour market and inflation remain a challenge. Hence the Group maintains 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 5.58 cents (2023: 5.58 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	5.58 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The interim dividend will be paid on 28 August 2024.

(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 21 August 2024 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 21 August 2024 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 21 August 2024 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 2024 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

13 August 2024