



SBS TRANSIT LTD

Company Registration No.: 199206653M

Full Year 2020 Financial Statements and Dividend Announcement

The Board of Directors announces the audited results for the year ended 31 December 2020.

1 GROUP INCOME STATEMENT

	Group		
	Full Year 2020	Full Year 2019	Incr/ (Decr)
	\$'000	\$'000	%
Revenue	1,230,947	1,445,221	(14.8)
Staff costs	583,342	713,354	(18.2)
Repairs and maintenance costs	214,620	192,741	11.4
Fuel and electricity costs	90,077	182,008	(50.5)
Premises costs	47,173	48,078	(1.9)
Depreciation expense	109,046	104,070	4.8
Other operating costs	106,706	101,484	5.1
Total operating costs	1,150,964	1,341,735	(14.2)
Operating profit	79,983	103,486	(22.7)
Net income from investments	272	137	98.5
Finance costs	(3,247)	(4,249)	(23.6)
Profit before taxation	77,008	99,374	(22.5)
Tax credit (expense)	1,949	(18,086)	NM
Profit attributable to shareholders	78,957	81,288	(2.9)
Operating (Loss) Profit before COVID-19 Government reliefs			
	(29,806)	103,486	NM
COVID-19 Government reliefs	109,789	-	NM
Operating Profit after COVID-19 Government reliefs	79,983	103,486	(22.7)

Please refer to paragraph 13 for a detailed explanation of the Group's financial performance.

(ii) Included in the determination of net profit are the following items :

	Group		
	Full Year 2020	Full Year 2019	Incr/ (Decr)
	\$'000	\$'000	%
<u>After debiting :-</u>			
Allowance for inventory obsolescence	20,159	1,887	NM
Allowance for expected credit losses	395	-	NM

NM – Not meaningful

Certain comparative figures have been reclassified to conform to current year's presentation.

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Short-term deposits and bank balances	85,560	31,463	84,376	30,280
Trade receivables	152,393	167,433	149,865	164,063
Other receivables and prepayments	137,630	67,748	425,705	317,693
Inventories	111,980	130,571	84,674	104,126
Total current assets	487,563	397,215	744,620	616,162
Non-current assets				
Subsidiary	-	-	5,000	5,000
Prepayments	6,455	3,385	6,292	3,327
Net investment on sublease	191	-	191	-
Vehicles, premises and equipment	618,897	715,145	601,439	695,993
Deferred tax assets	26,695	21,540	-	-
Total non-current assets	652,238	740,070	612,922	704,320
Total assets	1,139,801	1,137,285	1,357,542	1,320,482
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	25,000	75,000	25,000	75,000
Lease liabilities	12,215	11,375	12,215	11,375
Trade and other payables	250,098	257,866	213,795	219,384
Deposits received	3,915	3,560	3,561	2,917
Deferred grants	24,042	-	15,662	-
Provision for accident claims	19,630	21,205	19,630	21,205
Fuel price equalisation account	19,992	19,992	19,992	19,992
Income tax payable	31,903	30,612	31,903	30,612
Total current liabilities	386,795	419,610	341,758	380,485
Non-current liabilities				
Lease liabilities	59,311	71,801	59,311	71,801
Deferred grants	5,843	6,248	5,843	6,248
Deposits received	5,818	6,618	4,692	5,553
Deferred tax liabilities	62,676	74,940	62,676	74,940
Provision for service benefits and long service awards	12,340	11,335	11,759	10,930
Fuel price equalisation account	19,992	19,992	19,992	19,992
Total non-current liabilities	165,980	190,934	164,273	189,464
Total liabilities	552,775	610,544	506,031	569,949
Capital and reserves				
Share capital	100,499	100,499	100,499	100,499
Other reserves	40,265	40,543	40,265	40,285
Accumulated profits	446,262	385,699	710,747	609,749
Total equity	587,026	526,741	851,511	750,533
Total liabilities and equity	1,139,801	1,137,285	1,357,542	1,320,482

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND LEASE LIABILITIES

	<u>31 Dec</u> <u>2020</u> <u>\$'000</u>	<u>31 Dec</u> <u>2019</u> <u>\$'000</u>
<u>Borrowings</u>		
Unsecured		
Amount repayable in one year or less, or on demand	<u>25,000</u>	<u>75,000</u>
<u>Lease Liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	12,215	11,375
Amount repayable after one year	<u>59,311</u>	<u>71,801</u>
	<u>71,526</u>	<u>83,176</u>

Details of any collateral

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

4 GROUP CASH FLOW STATEMENT

	Group	
	Full Year 2020 \$'000	Full Year 2019 \$'000
Operating activities		
Profit before taxation	77,008	99,374
Adjustments for:		
Depreciation expense	109,046	104,070
Finance costs	3,247	4,249
Net gain on disposal of vehicles and equipment	(274)	(76)
Interest income	(272)	(137)
Provision for service benefits and long service awards	1,720	1,167
Provision for accident claims	2,980	7,400
Allowance for inventory obsolescence	20,159	1,887
Allowance for expected credit losses	395	-
Operating cash flows before movements in working capital	214,009	217,934
Changes in working capital	(46,557)	(110,082)
Cash generated from operations	167,452	107,852
Income tax paid	(14,122)	(21,863)
Interest paid arising from leases	(2,111)	(2,341)
Net cash from operating activities	151,219	83,648
Investing activities		
Interest received	270	141
Proceeds from disposal of vehicles and equipment	1,852	124
Purchase of vehicles, premises and equipment	(18,315)	(28,976)
Net cash used in investing activities	(16,193)	(28,711)
Financing activities		
New loans raised	130,500	406,000
Repayment of borrowings	(180,500)	(406,000)
Payments under lease liabilities	(11,329)	(10,157)
Proceeds from share issue	-	309
Interest paid	(1,206)	(1,908)
Dividends paid	(18,400)	(44,437)
Others	6	8
Net cash used in financing activities	(80,929)	(56,185)
Net increase (decrease) in cash and cash equivalents	54,097	(1,248)
Cash and cash equivalents at beginning of year	31,463	32,711
Cash and cash equivalents at end of year	85,560	31,463

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	Full Year 2020	Full Year 2019
	\$'000	\$'000
Profit attributable to shareholders	78,957	81,288
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	(278)	1,948
Total comprehensive income attributable to shareholders	<u>78,679</u>	<u>83,236</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2020:

	Group			
	Attributable to shareholders of the Company			
	Share capital \$'000	Other reserves \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 January 2019	100,162	38,628	348,835	487,625
Total comprehensive income for the year				
Profit for the year	-	-	81,288	81,288
Other comprehensive income for the year	-	1,948	-	1,948
Total	-	1,948	81,288	83,236
Transactions recognised directly in equity				
Exercise of share options	337	(28)	-	309
Payment of dividends	-	-	(44,437)	(44,437)
Other reserves	-	(5)	13	8
Total	337	(33)	(44,424)	(44,120)
Balance at 31 December 2019	100,499	40,543	385,699	526,741
Total comprehensive income (expense) for the year				
Profit for the year	-	-	78,957	78,957
Other comprehensive expense for the year	-	(278)	-	(278)
Total	-	(278)	78,957	78,679
Transactions recognised directly in equity				
Payment of dividends	-	-	(18,400)	(18,400)
Other reserves	-	-	6	6
Total	-	-	(18,394)	(18,394)
Balance at 31 December 2020	100,499	40,265	446,262	587,026

Statement of Changes in Equity of the Company for the year ended 31 December 2020:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2019	100,162	39,450	534,435	674,047
Total comprehensive income for the year				
Profit for the year	-	-	119,738	119,738
Other comprehensive income for the year	-	868	-	868
Total	-	868	119,738	120,606
Transactions recognised directly in equity				
Exercise of share options	337	(28)	-	309
Payment of dividends	-	-	(44,437)	(44,437)
Other reserves	-	(5)	13	8
Total	337	(33)	(44,424)	(44,120)
Balance at 31 December 2019	100,499	40,285	609,749	750,533
Total comprehensive income (expense) for the year				
Profit for the year	-	-	119,392	119,392
Other comprehensive expense for the year	-	(20)	-	(20)
Total	-	(20)	119,392	119,372
Transactions recognised directly in equity				
Payment of dividends	-	-	(18,400)	(18,400)
Other reserves	-	-	6	6
Total	-	-	(18,394)	(18,394)
Balance at 31 December 2020	100,499	40,265	710,747	851,511

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

Since 30 June 2020, no new ordinary shares were issued by the Company.

As at 31 December 2020, the total number of issued shares was 311,864,766 (31 December 2019: 311,864,766).

As at 31 December 2020, the Company does not hold any treasury shares.

8 AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of SBS Transit Ltd (the "Company") and its subsidiary (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2020, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and the Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)"s) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

(a) Valuation and Completeness of Provision for Accident Claims

The valuation and completeness of provision for settlement of accident claims involves estimation uncertainty. Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics in determining the provision for accident claims as at 31 December 2020.

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

We have also assessed the adequacy and appropriateness of the related disclosures in the financial statements.

(b) Provision for Rail Contract

One of the Mass Rapid Transit Systems has been making consecutive losses since the commencement of its operations. The Group has assessed that no provision for rail contract is required as at 31 December 2020 based on the financial forecast up to the end of the licence period in relation to this Mass Rapid Transit System.

As disclosed in the financial statements, significant judgement is exercised in key assumptions relating to ridership, changes in fare and quantum, timing and availability of incentives and grants from the authorities in projecting the future financial performance of the operations of this Mass Rapid Transit System.

Our audit procedures focused on evaluating the areas of significant judgement made by the Group in the assessment of provision for rail contract. We discussed with Management on their assessment of provision for rail contract. We obtained the Mass Rapid Transit System's financial forecast up to the end of the licence period and challenged key assumptions made by the Group, including reviewing relevant corroborative documentation of incentives and grants from the authorities, ridership and changes in fare. Based on our procedures, Management's key assumptions appear to be reasonable.

We have also assessed the appropriateness of the related disclosures in the financial statements.

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

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
9 February 2021

9 ACCOUNTING POLICIES

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 2019 except for the early adoption of COVID-19 Related Rent Concessions amendment to SFRS(I) 16.

In the current financial year, 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 2020.

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

10 CHANGES IN ACCOUNTING POLICIES AND METHODS OF COMPUTATION

Not applicable.

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

Earnings per ordinary share - Basic and Diluted

	Group	
	Full Year 2020	Full Year 2019
Based on weighted average number of ordinary shares in issue (cents)	25.32	26.07

EBITDA

	Group	
	Full Year 2020	Full Year 2019
(i) EBITDA (\$'000)	189,029	207,556
(ii) EBITDA margin (%)	15.4	14.4

12 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value per ordinary share based on issued share capital at the end of the year (dollars)	1.88	1.69	2.73	2.41

13 REVIEW OF GROUP PERFORMANCE

Performance Review

The release of our full year results comes after the full impact of a global pandemic, the likes of which few of us have ever seen. The impact on the Group, and the world in general, has been significant. As countries started going into lockdown, from as early as January 2020 in China, governments have been rolling out assistance packages in most territories, most significantly in Singapore.

Group revenue of \$1,230.9m for 2020 decreased by 14.8% or \$214.3m from \$1,445.2m for 2019 while Group operating costs of \$1,151.0m for 2020 decreased by 14.2% or \$190.7m from \$1,341.7m for 2019.

Group operating profit of \$80.0m for 2020 was 22.7% or \$23.5m lower than that of \$103.5m for 2019.

The Group received Government Grants of \$109.8m mainly from the wage subsidy from the Jobs Support Scheme (JSS) commencing from April 2020 under the Singapore Budgets to relieve companies from the effects of COVID-19 crisis. Without the Government Grants, the Group would have recorded an operating loss of \$29.8m for 2020. These Government Grants significantly cushioned the adverse financial impact due to COVID-19 where we experienced significant drop in revenue from reduced ridership and operating mileage, rental rebates given to tenants and reduced advertising especially during the Circuit Breaker (CB) period from 7 April 2020 to 1 June 2020. While ridership has steadily improved, it remained lower than pre-COVID days, and other commercial services continued to be depressed. In addition, higher operating costs were due mainly to costs incurred for enhanced cleaning and disinfecting for our buses, trains, interchanges, stations and depots, subsidising cost of accommodation for Malaysian staff affected by Malaysia border closure which commenced since 18 March 2020 and increased allowance for inventory obsolescence especially for rail inventory. The Group's recognition basis for inventory allowance is enhanced to take into account the rail contract term in determining its useful life as the rail contract term approaches mid-life.

Net income from investments of \$0.2m for 2020 was 98.5% or \$0.1m higher than that of \$0.1m for 2019.

Finance costs of \$3.2m for 2020 were 23.6% or \$1.0m lower than that of \$4.2m for 2019.

Consequently, Group profit before taxation of \$77.0m for 2020 was 22.5% or \$22.4m lower than that of \$99.4m for 2019.

Tax credit for 2020 was \$1.9m as compared to tax expense of \$18.1m for 2019 due mainly to the tax exemption for the receipt of JSS and the resultant loss position.

Group profit attributable to shareholders of the Company of \$79.0m for 2020 was 2.9% or \$2.3m lower than that of \$81.3m for 2019.

A segmental breakdown by business is provided under paragraph 18.

Revenue from Public Transport Services of \$1,195.8m for 2020 was lower by 13.6% or \$187.5m compared to \$1,383.3m for 2019 due mainly to lower service fees from lower fuel indexation and operated mileage coupled with lower rail ridership due to COVID-19, offset by Rail Reliability Incentive achieved in 2020. For 2020, average daily ridership for the Downtown Line (DTL) dropped by 46.0% to 257k passenger trips while average fare for DTL was higher than that for 2019 by 11.7% or 8.4 cents. Average daily ridership for North-East Line (NEL) dropped by 40.9% to 355k passenger trips and that for the Light Rail Transit (SPLRT) by 31.2% to 97k passenger trips as compared to that of 2019. Average fare for NEL was higher than that for 2019 by 13.9% or 9.8 cents and that for SPLRT by 9.4% or 4.2 cents compared to that of 2019. Operating profit for 2020 at \$56.9m decreased by 8.2% or \$5.0m from \$61.9m for 2019 due mainly to lower revenue, higher repairs and maintenance costs and higher operating costs, offset by lower staff costs mainly attributable to wage subsidies received and lower fuel and electricity costs.

Revenue from Other Commercial Services of \$35.1m for 2020 was lower by 43.3% or \$26.9m compared to \$62.0m for 2019 due mainly to lower advertising revenue mostly attributable to COVID-19 where lesser rail and bus campaigns were rolled out and rental rebates given to tenants. Consequently, operating profit for 2020 at \$23.1m decreased by 44.4% or \$18.4m compared to \$41.5m for 2019.

Statement of Financial Position

As at 31 December 2020, total equity for the Group increased by 11.4% or \$60.3m to \$587.0m as compared to 31 December 2019 due mainly to profits generated from operations, partially offset by the dividends paid.

Group total assets increased by 0.2% or \$2.5m to \$1,139.8m due to an increase in current assets of \$90.3m, partially offset by a decrease in non-current assets of \$87.8m. The increase in current assets was due to the increase in other receivables and short-term deposits and bank balances, partially offset by decreases in inventories and trade receivables. The decrease in non-current assets was due mainly to the depreciation of vehicles, premises and equipment.

Group total liabilities decreased by 9.5% or \$57.8m to \$552.8m due to decreases in current and non-current liabilities of \$32.8m and \$25.0m respectively. The decrease in current liabilities was due mainly to the repayment of borrowings, partially offset by deferred grants received. The decrease in non-current liabilities was due mainly to decreases in lease liabilities and deferred tax liabilities.

Cash Flow

The net cash inflow of \$54.1m for 2020 was from net cash generated from operating activities mainly from JSS received, partially offset by repayment of borrowings and lease liabilities, payment of dividends, and more prudent spending on vehicles, premises and equipment (capex). Capex spending for 2020 was lower as compared to last year due to deferment of spending for non-critical capex in order to conserve cash.

As at 31 December 2020, the Group had short-term deposits and bank balances of \$85.6m. After accounting for the borrowings of \$25.0m, the Group was in a net cash position of \$60.6m. As at 31 December 2019, the Group's net gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 8.5%. The Group's gross gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 4.4% as at 31 December 2020 compared to 14.6% as at 31 December 2019.

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

No forecast or prospect statement has been previously disclosed.

15 GROUP OUTLOOK

The ongoing COVID-19 pandemic continues to disrupt the normal operations of the economy. Although Singapore has made good progress to move into Phase 3 of the Nation's reopening from 28 December 2020 with further resumption of activities, Phase 3 could last a year or more, till global COVID-19 situation is under control or effective vaccines become widely available. Emergence of new strains of COVID-19 virus and further mutations that may be more infectious could also potentially change the course of the outbreak. Most economists are projecting a long and uneven recovery which will hinge on the effectiveness of the vaccine rollout.

Revenue from Public Transport Services is expected to be higher compared to last year in the absence of any further circuit breaker. Rail ridership recovery is expected to be gradual in Phase 3, as working from home continues to be the default mode.

Revenue from Other Commercial Services is expected to improve with higher ridership.

The Group continues to step up the frequency of cleaning of its premises, buses and trains in view of the ongoing COVID-19 pandemic. Repairs and maintenance costs are expected to increase with the ageing bus and train fleets and continued investments in predictive maintenance capabilities to enhance service reliability. The adverse impact of COVID-19 on the Group's financial performance will be partly cushioned by grants from already announced Government Support Schemes, primarily the Jobs Support Scheme which will continue partially into 2021. Any further Government Support Schemes are uncertain at this moment.

Despite the ongoing vaccination efforts and gradual resumption of the economy, the global COVID-19 situation remains fluid. There is uncertainty over the easing of health and safety measures and the pace of a global vaccine rollout, hence the Group continues to maintain a cautious outlook for the rest of the financial year.

16 DIVIDEND

(a) Current Financial Period Reported on

There was no interim dividend but a first and final dividend of 6.30 cents per ordinary share has been proposed for 2020. In 2019, total dividends of 13.05 cents was declared.

Excluding Government support, the Group would have recorded a net loss of \$29.8m. As the outlook remains uncertain, we have adopted a prudent approach in our dividend payout. We proposed a final dividend representing 25% of the profit attributable to Shareholders as a show of our appreciation for their continued support.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	6.30 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

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

(c) Date Payable

The proposed final dividend, if approved by the Shareholders at the Twenty-Eighth Annual General Meeting of the Company to be held on 29 April 2021, will be payable on 19 May 2021.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 10 May 2021 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO building, Singapore 048544, up to 5.00 p.m. on 7 May 2021 will be registered to determine Shareholders' entitlements to the final dividend.

Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 7 May 2021 will be entitled to the proposed final dividend.

17 GROUP SEGMENTAL INFORMATION

By Business Activity

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
<u>Full Year 2020</u>			
Revenue	1,195,799	35,148	1,230,947
<u>Results</u>			
Segment results	56,872	23,111	79,983
Net income from investments			272
Finance costs			(3,247)
Profit before taxation			<u>77,008</u>
Tax credit			1,949
Profit attributable to shareholders			<u><u>78,957</u></u>
<u>Full Year 2019</u>			
Revenue	1,383,259	61,962	1,445,221
<u>Results</u>			
Segment results	61,948	41,538	103,486
Net income from investments			137
Finance costs			(4,249)
Profit before taxation			<u>99,374</u>
Tax expense			(18,086)
Profit attributable to shareholders			<u><u>81,288</u></u>

Certain comparative figures have been reclassified to conform to current year's presentation.

18 BREAKDOWN OF REVENUE

	Full Year 2020	Full Year 2019	Incr/ (Decr)
	\$'000	\$'000	%
(a) Revenue reported for first half year	603,225	709,207	(14.9)
(b) Profit after taxation reported for first half year	32,582	44,851	(27.4)
(a) Revenue reported for second half year	627,722	736,090	(14.7)
(b) Profit after taxation reported for second half year	46,375	36,437	27.3

19 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	Full Year 2020 \$'000	Full Year 2019 \$'000
Ordinary shares (tax-exempt one-tier)		
- Interim	-	22,298
- Final (proposed)	19,647	18,400
Total	19,647	40,698

20 INTERESTED PERSON TRANSACTIONS

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

21 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2020, none of the persons occupying managerial positions in the Company or its subsidiary is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

22 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Joint Company Secretary

9 February 2021