



SBS TRANSIT LTD
Company Registration No.: 199206653M

**Condensed Financial Statements for the second half and full year ended 31
December 2021 and Dividend Announcement**

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A GROUP INCOME STATEMENT

		Group					
Note	2nd Half	2nd Half	Incr/	Full Year	Full Year	Incr/	
	2021 ^(N1)	2020 ^(N1)	(Decr)	2021	2020	(Decr)	
	\$'000	\$'000	%	\$'000	\$'000	%	
Revenue	670,024	627,722	6.7	1,310,842	1,230,947	6.5	
Staff costs	311,038	287,449	8.2	625,554	583,343	7.2	
Repairs and maintenance costs	108,928	112,886	(3.5)	204,404	214,620	(4.8)	
Fuel and electricity costs	81,175	42,468	91.1	148,703	90,077	65.1	
Premises costs	23,593	26,603	(11.3)	47,063	47,173	(0.2)	
Depreciation expense	53,676	57,016	(5.9)	105,340	109,046	(3.4)	
Other operating costs	76,239	53,529	42.4	126,224	106,705	18.3	
Total operating costs	<u>654,649</u>	<u>579,951</u>	12.9	<u>1,257,288</u>	<u>1,150,964</u>	9.2	
Operating profit	5	15,375	47,771	(67.8)	53,554	79,983	(33.0)
Net income from investments		184	141	30.5	291	272	7.0
Finance costs		(581)	(1,422)	(59.1)	(1,339)	(3,247)	(58.8)
Profit before taxation		14,978	46,490	(67.8)	52,506	77,008	(31.8)
Tax credit (expense)	6	181	(115)	NM	(872)	1,949	NM
Profit attributable to shareholders		<u>15,159</u>	<u>46,375</u>	(67.3)	<u>51,634</u>	<u>78,957</u>	(34.6)

Operating Loss before COVID-19						
Government reliefs	(6,348)	(441)	NM	(2,769)	(29,806)	(90.7)
COVID-19 Government reliefs	21,723	48,212	(54.9)	56,323	109,789	(48.7)
Operating Profit after COVID-19						
Government reliefs	15,375	47,771	(67.8)	53,554	79,983	(33.0)

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

N1 – Unaudited

NM – Not meaningful

B GROUP COMPREHENSIVE INCOME STATEMENT

	Group			
	2nd Half 2021 ^(N1)	2nd Half 2020 ^(N1)	Full Year 2021	Full Year 2020
	\$'000	\$'000	\$'000	\$'000
Profit attributable to shareholders	15,159	46,375	51,634	78,957
<i>Items that may be reclassified subsequently to profit or loss</i>				
Fair value adjustment on cash flow hedges	484	88	484	(278)
Total comprehensive income attributable to shareholders	<u>15,643</u>	<u>46,463</u>	<u>52,118</u>	<u>78,679</u>
N1 – Unaudited				

Earnings per ordinary share - Basic and Diluted

	Group	
	Full Year 2021	Full Year 2020
Based on weighted average number of ordinary shares in issue (cents)	16.56	25.32

C STATEMENTS OF FINANCIAL POSITION

Note	Group		Company	
	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
	204,034	85,560	201,974	84,376
	253,372	290,023	490,545	575,570
	101,482	111,980	73,340	84,674
	<u>558,888</u>	<u>487,563</u>	<u>765,859</u>	<u>744,620</u>
Non-current assets				
	-	-	100,000	5,000
	4,605	6,455	4,538	6,292
	28	191	28	191
10	563,200	618,897	537,610	601,439
	27,065	26,695	-	-
	<u>594,898</u>	<u>652,238</u>	<u>642,176</u>	<u>612,922</u>
	<u>1,153,786</u>	<u>1,139,801</u>	<u>1,408,035</u>	<u>1,357,542</u>
LIABILITIES AND EQUITY				
Current liabilities				
11	-	25,000	-	25,000
11	11,131	12,215	11,131	12,215
	298,567	250,098	240,620	213,795
	3,766	3,915	2,657	3,561
	-	24,042	-	15,662
	16,075	19,630	16,075	19,630
	19,992	19,992	19,992	19,992
	33,879	31,903	33,879	31,903
	<u>383,410</u>	<u>386,795</u>	<u>324,354</u>	<u>341,758</u>
Non-current liabilities				
11	80,481	59,311	80,481	59,311
	4,772	5,843	4,772	5,843
	7,284	5,818	5,475	4,692
	44,619	62,676	44,619	62,676
	11,663	12,340	11,081	11,759
	19,992	19,992	19,992	19,992
	<u>168,811</u>	<u>165,980</u>	<u>166,420</u>	<u>164,273</u>
	<u>552,221</u>	<u>552,775</u>	<u>490,774</u>	<u>506,031</u>
Capital and reserves				
12	100,499	100,499	100,499	100,499
	40,749	40,265	40,501	40,265
	460,317	446,262	776,261	710,747
	<u>601,565</u>	<u>587,026</u>	<u>917,261</u>	<u>851,511</u>
	<u>1,153,786</u>	<u>1,139,801</u>	<u>1,408,035</u>	<u>1,357,542</u>

D GROUP CASH FLOW STATEMENT

	Note	Group	
		Full Year	Full Year
		2021	2020
		\$'000	\$'000
Operating activities			
Profit before taxation		52,506	77,008
Adjustments for:			
Depreciation expense		105,340	109,046
Finance costs		1,339	3,247
Net loss (gain) on disposal of vehicles and equipment		15,812	(274)
Interest income		(291)	(272)
Provision for service benefits and long service awards		202	1,720
Provision for accident claims		365	2,980
Allowance for inventory obsolescence		6,950	20,159
(Write-back) Allowance for expected credit losses		(344)	395
Operating cash flows before movements in working capital		181,879	214,009
Changes in working capital		61,186	(46,557)
Cash generated from operations		243,065	167,452
Income tax paid		(17,423)	(14,122)
Interest paid arising from leases		(1,300)	(2,111)
Net cash from operating activities		224,342	151,219
Investing activities			
Interest received		281	270
Proceeds from disposal of vehicles and equipment		280	1,852
Purchase of vehicles, premises and equipment		(33,098)	(18,315)
Net cash used in investing activities		(32,537)	(16,193)
Financing activities			
New loans raised		4,000	130,500
Repayment of borrowings		(29,000)	(180,500)
Payments under lease liabilities		(10,701)	(11,329)
Interest paid		(51)	(1,206)
Dividends paid	7	(37,579)	(18,400)
Others		-	6
Net cash used in financing activities		(73,331)	(80,929)
Net increase in cash and cash equivalents		118,474	54,097
Cash and cash equivalents at beginning of year		85,560	31,463
Cash and cash equivalents at end of year		204,034	85,560

E 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 2020	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
Total comprehensive income for the year				
Profit for the year	-	-	51,634	51,634
Other comprehensive income for the year	-	484	-	484
Total	-	484	51,634	52,118
Transactions recognised directly in equity				
Payment of dividends	-	-	(37,579)	(37,579)
Total	-	-	(37,579)	(37,579)
Balance at 31 December 2021	100,499	40,749	460,317	601,565

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2020	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
Total comprehensive income for the year				
Profit for the year	-	-	103,093	103,093
Other comprehensive income for the year	-	236	-	236
Total	-	236	103,093	103,329
Transactions recognised directly in equity				
Payment of dividends	-	-	(37,579)	(37,579)
Total	-	-	(37,579)	(37,579)
Balance at 31 December 2021	100,499	40,501	776,261	917,261

F NOTES TO THE CONDENSED 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 consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiary (collectively, the Group).

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

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

2. BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed 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 interim financial statements for the period ended 30 June 2021.

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2021.

In the current financial 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 2021.

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

2.1 New and amended standards adopted by the Group

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

2.2 Use of judgements and estimates

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

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

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

Critical judgements in applying the Group's accounting policies

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

Provision for rail contract

As the COVID-19 pandemic is still on-going, the timing of the recovery of travel and economic activities to pre-COVID-19 levels is uncertain and there could be significant shifts in ridership patterns and fare adjustments.

Significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, taking into consideration the timing of the recovery of travel and economic activities to pre-COVID-19 levels, in projecting the future financial performance of the Downtown Line (DTL), North-East Line (NEL) and Sengkang Punggol LRT (SPLRT) under the Consolidated Rail Licence. 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 financial year and estimated amounts payable. The past claims history and payment are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims.

(b) Retirement benefits

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

(c) Long service awards

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

Allowance for inventory obsolescence

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

The terms of the rail licence contract and useful life of buses are considered in the determination of the useful life of the inventories. In addition to identification of obsolete inventories based on considerations such as phasing out of vehicle models and inventories purchased for specific projects which have ended, Management identifies inventories that are slow moving (i.e. stocks with no movement for 2 years and beyond) and evaluates the carrying value of inventories. An allowance for inventory obsolescence is recognised for these inventories based on its useful life and inventory turnover.

Useful lives of vehicles, premises and equipment

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

3. SEGMENT AND REVENUE INFORMATION

The Group operates principally in Singapore.

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

- (a) Public Transport Services: Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems.

- (b) Other Commercial Services: Income is generated substantially through -
 - (i) advertisements on buses and trains and at bus interchanges and rail stations; and
 - (ii) rental collections from commercial and shop space at bus interchanges and rail stations.

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

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

3.1 Segment information

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
<u>Second Half 2021</u>			
Revenue	643,924	26,100	670,024
<u>Results</u>			
Segment results	3,153	12,222	15,375
Net income from investments			184
Finance costs			(581)
Profit before taxation			<u>14,978</u>
Tax credit			181
Profit attributable to shareholders			<u><u>15,159</u></u>
OTHER INFORMATION			
Depreciation expense	50,499	3,177	53,676
<u>Second Half 2020</u>			
Revenue	609,014	18,708	627,722
<u>Results</u>			
Segment results	35,629	12,142	47,771
Net income from investments			141
Finance costs			(1,422)
Profit before taxation			<u>46,490</u>
Tax expense			(115)
Profit attributable to shareholders			<u><u>46,375</u></u>
OTHER INFORMATION			
Depreciation expense	56,211	805	57,016

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
<u>Full Year 2021</u>			
Revenue	1,265,331	45,511	1,310,842
<u>Results</u>			
Segment results	30,978	22,576	53,554
Net income from investments			291
Finance costs			(1,339)
Profit before taxation			52,506
Tax expense			(872)
Profit attributable to shareholders			<u>51,634</u>
OTHER INFORMATION			
Depreciation expense	101,286	4,054	105,340
<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			77,008
Tax credit			1,949
Profit attributable to shareholders			<u>78,957</u>
OTHER INFORMATION			
Depreciation expense	107,436	1,610	109,046

	Public Transport Services	Other Commercial Services	Total
	\$'000	\$'000	\$'000
STATEMENT OF FINANCIAL POSITION			
<u>31 December 2021</u>			
ASSETS			
Segment assets	900,513	23,327	923,840
Unallocated corporate assets			<u>229,946</u>
Consolidated total assets			<u><u>1,153,786</u></u>
LIABILITIES			
Segment liabilities	435,698	27,798	463,496
Unallocated corporate liabilities			<u>88,725</u>
Consolidated total liabilities			<u><u>552,221</u></u>
OTHER INFORMATION			
Addition of vehicles, premises and equipment	22,627	12,324	34,951
<u>31 December 2020</u>			
ASSETS			
Segment assets	1,008,330	20,615	1,028,945
Unallocated corporate assets			<u>110,856</u>
Consolidated total assets			<u><u>1,139,801</u></u>
LIABILITIES			
Segment liabilities	380,672	25,301	405,973
Unallocated corporate liabilities			<u>146,802</u>
Consolidated total liabilities			<u><u>552,775</u></u>
OTHER INFORMATION			
Addition of vehicles, premises and equipment	14,198	1,047	15,245

3.2 Revenue

Revenue is generated from the provision of bus and rail services to commuters travelling on public transport systems. Revenue from transport services are mainly contracts with the Government (public sector) in Singapore for an average of 9 years. Included in the revenue from transport services are performance incentives from transport regulator for achieving certain performance and service quality targets, and other rail related services income. The performance incentives accounted for approximately 5% (2020: 5%) of the total revenue.

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

Breakdown of revenue:

	Full Year 2021	Full Year 2020	Incr/ (Decr)
	\$'000	\$'000	%
(a) Revenue reported for first half year	640,818	603,225	6.2
(b) Profit after taxation reported for first half year	36,475	32,582	11.9
(a) Revenue reported for second half year	670,024	627,722	6.7
(b) Profit after taxation reported for second half year	15,159	46,375	(67.3)

4. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
	\$'000	\$'000	\$'000	\$'000
Financial Assets				
Amortised cost	438,998	358,919	681,069	647,336
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	653	-	319	-
Financial Liabilities				
Amortised cost	290,234	263,922	229,385	226,454
Financial Instruments designated in hedge accounting relationships:				
Hedging instrument	69	-	34	-

5. OPERATING PROFIT

5.1 Significant items

	Group			
	2nd Half	2nd Half	Full Year	Full Year
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cost of inventories recognised in repairs and maintenance costs	72,841	71,262	137,405	133,492
Net loss (gain) on disposal of vehicles and equipment	15,955	70	15,812	(274)
Allowance for inventory obsolescence	3,173	13,369	6,950	20,159
(Write-back) Allowance for expected credit losses	(52)	(28)	(344)	395
Provision for accident claims	125	1,142	365	2,980
Provision for service benefits and long service awards	44	759	202	1,720
Government grants (COVID-19 related)	(21,723)	(48,212)	(56,323)	(109,789)

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 year, other than those disclosed elsewhere in the notes to the Financial Statements are as follows:

	Group	
	Full Year	Full Year
	2021	2020
	\$'000	\$'000
Purchases of inventories from a related company	27,956	26,907
Shared and corporate services charged from ultimate holding company	6,759	5,330
Rental expense from:		
Ultimate holding company	2,839	2,806
Related company	660	592
Purchase of goods and services from:		
Ultimate holding company	-	296
Related companies	3,921	2,866
Associate of the ultimate holding company	-	159
Sales of goods and services to:		
Ultimate holding company	(22)	(22)
Related companies	(1,045)	(1,067)
Associate of the ultimate holding company	-	(4)
Transfer of computers and automated equipment to a related company	-	(4)
Rental income from related companies	(209)	(204)

6. TAX (CREDIT) EXPENSE

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

	Group			
	2nd Half 2021	2nd Half 2020	Full Year 2021	Full Year 2020
	\$'000	\$'000	\$'000	\$'000
Current income tax	15,196	14,677	31,555	23,166
Deferred tax	(15,377)	(14,562)	(30,683)	(25,115)
Total	<u>(181)</u>	<u>115</u>	<u>872</u>	<u>(1,949)</u>

7. DIVIDENDS

	Group	
	Full Year 2021	Full Year 2020
	\$'000	\$'000
Tax-exempt one-tier final dividend in respect of previous financial year: - 6.30 cents (2020: 5.90 cents) per ordinary share	19,647	18,400
Tax-exempt one-tier interim dividend in respect of current financial year: - 5.75 cents (2020: NIL) per ordinary share	17,932	-
	<u>37,579</u>	<u>18,400</u>

8. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net asset value per ordinary share based on issued share capital (dollars)	1.93	1.88	2.94	2.73

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

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

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

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

10. VEHICLES, PREMISES AND EQUIPMENT

During the six months ended 31 December 2021, the addition to vehicles, premises and equipment owned and adjustment to Right-of-use assets for the Group amounted to \$63,848,000 (31 December 2020: \$8,709,000) and disposal of vehicles, premises and equipment owned amounted to a net book value of \$16,040,000 (31 December 2020: \$863,000).

11. AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND LEASE LIABILITIES

	31 Dec 2021 \$'000	31 Dec 2020 \$'000
<u>Borrowings</u>		
Unsecured		
Amount repayable in one year or less, or on demand	-	25,000
<u>Lease Liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	11,131	12,215
Amount repayable after one year	80,481	59,311
	<u>91,612</u>	<u>71,526</u>

Details of any collateral

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

12. SHARE CAPITAL

	Group and Company			
	31 Dec	31 Dec	31 Dec	31 Dec
	2021	2020	2021	2020
	Number ('000) of		\$'000	\$'000
	Ordinary shares			
Issued and paid up				
At beginning and end of year	311,865	311,865	100,499	100,499

Since 30 June 2021, no new ordinary shares were issued by the Company.

As at 31 December 2021, the Company does not hold any treasury shares.

13. SUBSEQUENT EVENTS

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

G OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. REVIEW

The financial statements of the Group and Company for the financial year ended 31 December 2021 have been audited. Please refer to auditors' report in item 9. Financial results of the Group for 2H2021 and 2H2020 have not been audited nor reviewed.

2. REVIEW OF GROUP PERFORMANCE

Performance Review

The ongoing COVID-19 pandemic and the mutation of the COVID-19 virus continues to disrupt the normal operations of the economy. The intensification of the COVID-19 outbreak in October 2021 in Singapore led to renewed domestic restrictions and slow recovery of international travel. Due to the COVID-19 interchange clusters between August to October 2021, the shortage in Bus Captains had led to some degrading of services during this period for SBS Transit Ltd. Rail saw higher ridership as compared to 2020, but remained much below pre-COVID-19 levels.

(i) 2H2021 vs 2H2020

Group revenue of \$670.0m for 2H2021 increased by 6.7% or \$42.3m from \$627.7m for the same period last year while Group operating costs of \$654.6m for 2H2021 increased by 12.9% or \$74.7m from \$579.9m for 2H2020. Higher operating costs was mainly attributed to the reduction in government reliefs largely from the Jobs Support Scheme (JSS) of \$26.5m and one-off loss on disposal of 241 buses of \$16.0m.

Group operating profit of \$15.4m for 2H2021 was 67.8% or \$32.4m lower than that of \$47.8m for 2H2020.

The profit generated in 2H2021 was largely lifted by government reliefs of \$21.7m (2H2020: \$48.2m), comprising mainly the JSS. Without the government reliefs, the Group would have recorded an operating loss of \$6.3m for 2H2021.

Net income from investments of \$184k for 2H2021 was 30.5% or \$43k higher than that of \$141k for 2H2020.

Finance costs of \$0.6m for 2H2021 were 59.1% or \$0.8m lower than that of \$1.4m for 2H2020.

Consequently, Group profit before taxation of \$15.0m for 2H2021 was 67.8% or \$31.5m lower than that of \$46.5m for 2H2020.

Tax credit for 2H2021 was \$0.2m as compared to tax expense of \$0.1m for the same period last year.

Group profit attributable to shareholders of the Company of \$15.2m for 2H2021 was 67.3% or \$31.2m lower than that of \$46.4m for 2H2020.

Revenue from Public Transport Services of \$643.9m for 2H2021 was higher by 5.7% or \$34.9m compared to \$609.0m for 2H2020 due mainly to higher service fees from higher fuel indexation and higher other operating income offset by lower rail revenue from lower ridership. For 2H2021, average daily ridership for NEL dropped by 5.4% to 358k passenger trips and that for the SPLRT by 0.5% to 104k passenger trips as compared to that of 2H2020. Average daily ridership for the DTL dropped by 5.5% to 248k passenger trips as compared to that of 2H2020. Operating profit for 2H2021 at \$3.2m decreased by 91.1% or \$32.5m from \$35.6m for 2H2020 due mainly to higher staff costs, higher fuel and electricity costs and one-off disposal of 241 buses in order to switch to more efficient younger buses from Authorities, offset by higher revenue.

Revenue from Other Commercial Services of \$26.1m for 2H2021 was higher by 39.5% or \$7.4m compared to \$18.7m for 2H2020 due mainly to higher advertising revenue mostly attributable to more rail and bus campaigns rolled out in line with gradual economic recovery, lower rental rebates given to tenants and higher other operating income. Operating profit for 2H2021 at \$12.2m increased by 0.7% or \$0.1m compared to \$12.1m for 2H2020 due mainly to higher revenue offset by higher depreciation expenses and higher other operating costs.

(ii) FY2021 vs FY2020

Group revenue of \$1,310.8m for 2021 increased by 6.5% or \$79.9m from \$1,230.9m for 2020 while Group operating costs of \$1,257.3m for 2021 increased by 9.2% or \$106.3m from \$1,151.0m for 2020. Higher operating costs was mainly attributed to the reduction in government reliefs largely from the JSS of \$53.5m and one-off loss on disposal of 241 buses of \$16.0m.

Group operating profit of \$53.6m for 2021 was 33.0% or \$26.4m lower than that of \$80.0m for 2020.

The profit generated in 2021 was largely lifted by government reliefs of \$56.3m (2020: \$109.8m), comprising mainly the JSS. Without the government reliefs, the Group would have recorded an operating loss of \$2.8m for 2021. These government reliefs cushioned the adverse financial impact due to COVID-19 where we continue to experience a significant reduction in ridership compared to pre-COVID-19 period, impact from bus interchange cluster, rental rebates given to tenants and additional expenses arising from COVID-19.

Net income from investments of \$291k for 2021 was 7.0% or \$19k higher than that of \$272k for 2020.

Finance costs of \$1.3m for 2021 were 58.8% or \$1.9m lower than that of \$3.2m for 2020.

Consequently, Group profit before taxation of \$52.5m for 2021 was 31.8% or \$24.5m lower than that of \$77.0m for 2020.

Tax expense for 2021 was \$0.9m as compared to tax credit of \$1.9m for 2020 due mainly to lower tax-exempted receipt from JSS.

Group profit attributable to shareholders of the Company of \$51.6m for 2021 was 34.6% or \$27.3m lower than that of \$79.0m for 2020.

Revenue from Public Transport Services of \$1,265.3m for 2021 was higher by 5.8% or \$69.5m compared to \$1,195.8m for 2020 due mainly to higher service fees from higher fuel indexation offset by lower mileage, higher rail fare revenue from higher ridership, offset by lower average fare and higher other operating income. For 2021, average daily ridership for NEL grew by 5.0% to 373k passenger trips and that for the SPLRT by 10.8% to 107k passenger trips as compared to that of 2020. Average daily ridership for DTL grew by 2.3% to 263k passenger trips as compared to that of 2020.

Operating profit for 2021 at \$31.0m decreased by 45.5% or \$25.9m from \$56.9m for 2020 due mainly to higher fuel and electricity costs, higher staff costs and one-off disposal of 241 buses in order to switch to more efficient younger buses from Authorities, offset by higher revenue.

Revenue from Other Commercial Services of \$45.5m for 2021 was higher by 29.5% or \$10.4m compared to \$35.1m for 2020 due mainly to higher advertising revenue mostly attributable to more rail and bus campaigns rolled out in line with gradual economic recovery and lower rental rebates given to tenants. Operating profit for 2021 at \$22.6m decreased by 2.3% or \$0.5m compared to \$23.1m for 2020 due mainly to higher premises costs, higher depreciation expenses and higher other operating costs offset by higher revenue.

Statement of Financial Position

As at 31 December 2021, total equity for the Group increased by 2.5% or \$14.5m to \$601.6m as compared to 31 December 2020 due mainly to profits generated from operations, partially offset by the dividends paid.

Group total assets increased by 1.2% or \$14.0m to \$1,153.8m due to an increase in current assets of \$71.3m, partially offset by a decrease in non-current assets of \$57.3m. The increase in current assets was due mainly to an increase in short-term deposits and bank balances, partially offset by decrease in trade and other receivables and inventories. The decrease in non-current assets was due mainly to the depreciation of vehicles, premises and equipment and the early disposal of buses, partially offset by additions.

Group total liabilities decreased by 0.1% or \$0.6m to \$552.2m due to a decrease in current liabilities of \$3.4m, partially offset by an increase in non-current liabilities of \$2.8m. The decrease in current liabilities was due mainly to the repayment of borrowings and deferred grants received, partially offset by an increase in trade and other payables. The increase in non-current liabilities was due mainly to an increase in lease liabilities, partially offset by the decrease in deferred tax liabilities.

Cash Flow

The net cash inflow of \$118.5m for 2021 was from net cash generated from operating activities, partially offset by the payment of dividends, purchase of vehicles, premises and equipment, repayment of borrowings and lease liabilities.

As at 31 December 2021, the Group had short-term deposits and bank balances of \$204.0m. After accounting for the borrowings of \$25.0m as at 31 December 2020, the Group's gross gearing ratio (excluding lease liabilities arising from adoption of SFRS(I) 16) was 4.4%.

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

No forecast or prospect statement has been previously disclosed.

4. GROUP OUTLOOK

The COVID-19 situation continues to evolve.

From 1 January 2022, up to 50% of the employees who are able to work from home can be at the workplace at any point in time, hence revenue from Public Transport Services is expected to be higher as compared to last year as ridership is expected to improve. Ridership is however unlikely to recover to pre-COVID-19 level in the near future as more companies adopt work from home arrangements for their employees.

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

The Group continues to face rising costs from operations. Operating costs, especially staff cost, is expected to be higher with the absence of the JSS reliefs in 2022. The rising energy prices due to worldwide supply issues will continue to create cost pressure to fuel and electricity spend.

With the rising Omicron infections and possible emergence of new variants in Singapore, the further easing of COVID-19 curbs may be slowed. Hence the Group continues to maintain a cautious outlook for the rest of the financial year.

5. DIVIDEND

(a) Current Financial Period Reported on

The Directors are pleased to propose a tax-exempt one-tier final dividend of 2.45 cents (2020: 6.30 cents) per ordinary share. Including interim dividend of 5.75 cents (2020: nil), total dividend per share for 2021 is 8.20 cents (2020: 6.30 cents).

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	2.45 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	6.30 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The proposed final dividend, if approved by the Shareholders at the Twenty-Ninth Annual General Meeting of the Company to be held on 28 April 2022, will be payable on 26 May 2022.

(d) Record Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 10 May 2022 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, 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, up to 5.00 p.m. on 9 May 2022 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 9 May 2022 will be entitled to the proposed final 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. 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 2021, 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.

9. AUDITORS' REPORT

The auditor's report on the full financial statements of SBS Transit Ltd for the financial year ended 31 December 2021 is as follows:

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 2021, 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 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, 1967 (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 2021 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) Transition of the Downtown Line to the New Rail Financing Framework Version 2

On 11 November 2021, the Company entered into a framework agreement with the Land Transport Authority of Singapore ("LTA") and SBS Transit DTL Pte. Ltd. to transit the DTL to the second version of the New Rail Financing Framework Version 2 ("NRFF (Version 2)"). NEL and SPLRT are already on NRFF Version 2 since 2018.

The NRFF (Version 2) is designed to reduce commercial volatility for rail operators in delivering a reliable and financially sustainable public rail service. As part of the framework agreement, the LTA has issued a consolidated rail licence to SBS Transit's wholly-owned subsidiary, SBS Transit Rail Pte. Ltd., to operate the DTL, NEL and SPLRT for a period of 11 years commencing 1 January 2022, and ending on 31 December 2032 (the "Consolidated Rail Licence").

Management has engaged an independent third party to review the ridership patterns, and has also engaged an independent third party to review the future financial performance of the DTL, NEL and SPLRT after considering the new terms under the Consolidated Rail Licence, including reviewing the accounting treatments arising thereon. As disclosed in the financial statements, in projecting the future financial performance of the Consolidated Rail Licence, significant judgement is exercised in key assumptions relating to ridership, fare adjustments and availability of grants from the Authorities, after taking into consideration that the timing of the recovery of travel and economic activities to pre-COVID-19 levels is uncertain and there could be significant shifts in ridership patterns and fare adjustments.

Our audit procedures focused on evaluating the areas of significant judgement made by Management in their projection of the future financial performance of the DTL, NEL and SPLRT after considering the new terms under the Consolidated Rail Licence, including reviewing the Group's accounting treatments arising thereon.

We obtained and read the framework agreement and certain key correspondences between the Authorities and the Group. We discussed with Management on the areas of significant judgement in their projection of the future financial performance of the DTL, NEL and SPLRT. We read the reports issued by the independent third parties to obtain an understanding on the ridership projection, the projected future financial performance of the DTL, NEL and SPLRT and the overall accounting treatment for certain key terms under the Consolidated Rail Licence. We obtained the projected future financial performance of the DTL, NEL and SPLRT up to the end of the licence period and challenged key assumptions made by Management, including reviewing relevant corroborative documentation of ridership projection, projected future fare adjustments and availability of grants from the Authorities. Based on our procedures, the significant judgement applied by Management in the key assumptions appear to be reasonable.

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

(b) 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 2021.

Our audit procedures included understanding the process used to determine the provision for accident claims. We independently evaluated the reasonableness of Management's basis and the key estimates and assumptions used in the provision estimated by Management, including reviewing the number of claims lodged, recent settlements, third party settlement data and accident claims statistics. Based on our procedures, Management's key assumptions appear to be within the reasonable range of our expectations.

We have also assessed the adequacy and 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. Yang Chi Chih.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
23 February 2022

ON BEHALF OF THE DIRECTORS

Bob Tan Beng Hai
Chairman

Cheng Siak Kian
Chief Executive Officer

BY ORDER OF THE BOARD

Angeline Joyce Lee Siang Pohr
Company Secretary

23 February 2022