


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Second Quarter 2019 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results of the Group for the Second Quarter and Half Year ended 30 June 2019.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr 2019	2nd Qtr 2018	Incr / (Decr)	1st Half 2019	1st Half 2018	Incr / (Decr)
	\$'m	\$'m	%	\$'m	\$'m	%
Revenue	980.8	941.1	4.2	1,928.1	1,819.9	5.9
Staff costs	432.3	403.4	7.2	852.7	786.5	8.4
Depreciation and amortisation *	106.6	97.4	9.4	212.3	195.3	8.7
Fuel and electricity costs	78.6	75.8	3.7	149.4	139.5	7.1
Repairs and maintenance costs	76.1	72.0	5.7	147.2	140.0	5.1
Contract services	43.1	43.4	(0.7)	82.6	80.1	3.1
Materials and consumables costs	31.9	32.8	(2.7)	62.9	63.2	(0.5)
Insurance premiums and accident claims	24.7	25.2	(2.0)	50.1	49.0	2.2
Road tax	20.8	24.5	(15.1)	44.5	48.9	(9.0)
Premises costs *	18.9	25.4	(25.6)	38.1	50.0	(23.8)
Advertising production and promotion costs *	6.1	5.5	10.9	11.2	10.8	3.7
Utilities and communication costs	5.4	5.2	3.8	10.7	10.3	3.9
Other operating costs *	21.3	21.0	1.4	44.0	41.1	7.1
Total Operating Costs	865.8	831.6	4.1	1,705.7	1,614.7	5.6
Operating Profit	115.0	109.5	5.0	222.4	205.2	8.4
Net Income from Investments	2.4	2.7	(11.1)	5.8	5.9	(1.7)
Finance Costs	(5.4)	(2.6)	N.M.	(10.9)	(5.1)	N.M.
Profit before Taxation	112.0	109.6	2.2	217.3	206.0	5.5
Taxation	(21.9)	(21.2)	3.3	(43.9)	(39.0)	12.6
Profit after Taxation	90.1	88.4	1.9	173.4	167.0	3.8
Attributable to :						
Shareholders of the Company	75.9	75.0	1.2	146.3	141.3	3.5
Non-Controlling Interests	14.2	13.4	6.0	27.1	25.7	5.4
	90.1	88.4	1.9	173.4	167.0	3.8

N.M. Not meaningful

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	553.2	586.1	143.2	159.9
Trade receivables	301.6	275.4	-	-
Other receivables and prepayments	243.1	277.0	23.3	32.3
Inventories	147.7	138.7	-	-
Total current assets	1,245.6	1,277.2	166.5	192.2
Non-current assets				
Subsidiaries	-	-	1,230.7	1,230.7
Associates	0.8	0.9	-	-
Investments	27.5	29.6	15.1	19.0
Other receivables and prepayments	3.7	6.2	351.6	338.1
Grant receivables	274.4	212.8	-	-
Vehicles, premises and equipment	2,673.6	2,691.3	3.9	5.1
Right-of-use assets *	175.2	-	2.6	-
Taxi licences	217.6	218.9	-	-
Goodwill	660.2	677.5	-	-
Deferred tax assets	24.3	22.3	-	-
Total non-current assets	4,057.3	3,859.5	1,603.9	1,592.9
Total assets	5,302.9	5,136.7	1,770.4	1,785.1
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	168.7	90.4	-	5.8
Lease liabilities *	24.3	-	3.1	-
Trade and other payables	623.2	691.0	157.4	169.0
Deferred grants	26.2	91.4	-	-
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	51.7	52.0	-	-
Income tax payable	75.3	64.5	1.0	0.3
Total current liabilities	989.4	1,009.3	161.5	175.1
Non-current liabilities				
Borrowings	468.7	479.5	333.7	338.0
Lease liabilities *	181.1	-	26.6	-
Deferred grants	353.4	271.1	-	-
Other liabilities	79.5	80.3	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	230.3	249.4	1.3	1.3
Total non-current liabilities	1,333.0	1,100.3	361.7	339.4
Total liabilities	2,322.4	2,109.6	523.2	514.5
Capital, reserves and non-controlling interests				
Share capital	692.2	691.1	692.2	691.1
Other reserves	68.0	80.9	(36.0)	(32.0)
Foreign currency translation reserve	(97.1)	(81.5)	-	-
Accumulated profits *	1,910.9	1,923.1	591.0	611.5
Equity attributable to shareholders of the Company	2,574.0	2,613.6	1,247.2	1,270.6
Non-controlling interests *	406.5	413.5	-	-
Total equity	2,980.5	3,027.1	1,247.2	1,270.6
Total liabilities and equity	5,302.9	5,136.7	1,770.4	1,785.1

* The Group has adopted SFRS (I) 16 Leases on 1 January 2019. Please refer to paragraph 11 for further details.

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

Secured / Unsecured Group Borrowings and Lease liabilities as at 30 Jun 2019

	<u>30 Jun 2019</u>	<u>31 Dec 2018</u>
	\$ 'm	\$ 'm
<u>Borrowings</u>		
<u>Secured</u>		
Amount repayable in one year or less, or on demand	73.4	76.3
Amount repayable after one year	60.0	66.5
	<u>133.4</u>	<u>142.8</u>
<u>Unsecured</u>		
Amount repayable in one year or less, or on demand	95.3	14.1
Amount repayable after one year	408.7	413.0
	<u>504.0</u>	<u>427.1</u>
Amount repayable in one year or less, or on demand	168.7	90.4
Amount repayable after one year	468.7	479.5
	<u>637.4</u>	<u>569.9</u>
<u>Lease liabilities</u>		
<u>Secured</u>		
Amount repayable in one year or less, or on demand	24.3	-
Amount repayable after one year	181.1	-
	<u>205.4</u>	<u>-</u>

Details of any collateral

Details of the total secured borrowings of \$133.4m and lease liabilities of \$205.4m are as follows:

- a \$80.2m relates to financing of vehicles under hire purchase arrangements;
- b \$53.2m relates to borrowings of subsidiaries secured by vehicles; and
- c \$205.4m relates to lease liabilities on adoption of SFRS(I) 16 *Leases*.

4 GROUP CASH FLOW STATEMENT

	Group		Group	
	2nd Qtr 2019	2nd Qtr 2018	1st Half 2019	1st Half 2018
	\$'m	\$'m	\$'m	\$'m
Operating activities:				
Profit before Taxation	112.0	109.6	217.3	206.0
Adjustments for:				
Depreciation and amortisation *	106.6	97.4	212.3	195.3
Finance costs *	5.4	2.6	10.9	5.1
Interest income	(2.6)	(2.7)	(5.7)	(5.3)
Dividend income	-	-	(0.4)	(0.5)
Grant income	(8.2)	(8.5)	(16.8)	(17.4)
Net gain on disposal of vehicles, premises and equipment	(0.6)	(0.7)	(1.1)	(1.2)
Insurance premiums payable and provision for accident claims	5.4	4.5	11.0	9.3
Others	1.5	(1.4)	2.4	(0.1)
Operating cash flows before movements in working capital	219.5	200.8	429.9	391.2
Changes in working capital	(38.6)	28.5	(138.6)	(86.8)
Cash generated from operations	180.9	229.3	291.3	304.4
Income tax paid	(32.5)	(23.9)	(45.9)	(34.9)
Interest paid arising from leases *	(1.3)	-	(2.7)	-
Net cash from operating activities	147.1	205.4	242.7	269.5
Investing activities:				
Purchases of vehicles, premises and equipment	(109.3)	(72.8)	(204.5)	(110.5)
Less: Vehicles purchased under finance lease arrangements	4.3	-	4.3	9.3
Less: Proceeds from disposal of vehicles, premises and equipment	29.2	10.4	44.7	50.6
Cash payments on purchase of vehicles, premises and equipment	(75.8)	(62.4)	(155.5)	(50.6)
Payment for taxi licences	-	-	-	(14.7)
Investments made	(3.1)	-	(3.1)	-
Acquisition of subsidiaries, net of cash [Note (a)]	(28.0)	(63.7)	(32.4)	(92.2)
Interest received	2.6	2.9	6.0	6.1
Dividend received from investments	0.4	0.5	0.4	0.5
Net cash used in investing activities	(103.9)	(122.7)	(184.6)	(150.9)
Financing activities:				
Acquisition of non-controlling interests in subsidiaries	-	(0.9)	-	(1.9)
New loans raised	231.9	208.1	665.9	449.3
Repayment of borrowings	(188.8)	(235.4)	(596.4)	(482.0)
Payments under lease liabilities *	(5.4)	-	(13.0)	-
Dividends paid to shareholders of the Company	(133.2)	(130.9)	(133.2)	(130.9)
Dividends paid to non-controlling shareholders of subsidiaries	(20.1)	(38.9)	(28.4)	(40.2)
Proceeds from exercise of share options of the Company	0.9	2.5	1.0	2.5
Proceeds from exercise of share options of a subsidiary	-	1.1	0.3	1.3
Grants received	11.3	10.9	22.4	22.2
Interest paid	(3.3)	(2.5)	(7.0)	(5.1)
Net cash used in financing activities	(106.7)	(186.0)	(88.4)	(184.8)
Net effect of exchange rate changes in consolidating subsidiaries	(6.4)	(2.5)	(2.6)	(0.5)
Net decrease in cash and cash equivalents	(69.9)	(105.8)	(32.9)	(66.7)
Cash and cash equivalents at beginning of period	623.1	635.3	586.1	596.2
Cash and cash equivalents at end of period	553.2	529.5	553.2	529.5

* Incorporates the effect of adoption of SFRS(I) 16 Leases from 1 January 2019

Note (a):**Summary of the effects of acquisition of subsidiaries inclusive of fair value adjustments:**

	Group		Group	
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2019	2018	2019	2018
	\$'m	\$'m	\$'m	\$'m
Net (assets) liabilities acquired:				
Current assets	(18.0)	(10.9)	(18.2)	(25.8)
Non-current assets	(114.9)	(12.3)	(117.8)	(33.6)
Current liabilities	6.8	7.9	6.8	14.5
Non-current liabilities	92.5	0.4	92.5	14.9
Net assets acquired	(33.6)	(14.9)	(36.7)	(30.0)
Goodwill on acquisition	(0.4)	(52.3)	(1.7)	(78.6)
Total purchase consideration	(34.0)	(67.2)	(38.4)	(108.6)
Less: Cash and cash equivalent balances acquired	6.0	3.5	6.0	6.8
Less: Contingent consideration	-	-	-	9.6
Net cash outflow on acquisition of subsidiaries	(28.0)	(63.7)	(32.4)	(92.2)

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		Group	
	2nd Qtr 2019	2nd Qtr 2018	1st Half 2019	1st Half 2018
	\$'m	\$'m	\$'m	\$'m
Profit after Taxation	90.1	88.4	173.4	167.0
<i>Items that may be reclassified subsequently to profit and loss</i>				
Fair value adjustment on cash flow hedges	(1.0)	-	3.2	-
Fair value adjustment on bonds	-	-	-	(0.1)
Exchange differences on translation of foreign operations	(32.4)	(14.3)	(16.7)	(18.5)
	(33.4)	(14.3)	(13.5)	(18.6)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value adjustment on equity investments	(3.7)	6.8	(4.7)	4.3
Other comprehensive income for the period	(37.1)	(7.5)	(18.2)	(14.3)
Total comprehensive income for the period	<u>53.0</u>	<u>80.9</u>	<u>155.2</u>	<u>152.7</u>
Attributable to:				
Shareholders of the Company	42.6	69.7	128.6	126.2
Non-Controlling Interests	10.4	11.2	26.6	26.5
	<u>53.0</u>	<u>80.9</u>	<u>155.2</u>	<u>152.7</u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2019:

	Group					Non-controlling interests	Total equity
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total		
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2019 (as previously reported)	691.1	80.9	(81.5)	1,923.1	2,613.6	413.5	3,027.1
Reclassification on adoption of SFRS(I) 16 *	-	-	-	(24.1)	(24.1)	(5.2)	(29.3)
Balance at 1 January 2019	691.1	80.9	(81.5)	1,899.0	2,589.5	408.3	2,997.8
Total comprehensive income for the period							
Profit for the period	-	-	-	70.4	70.4	12.9	83.3
Other comprehensive income for the period	-	2.4	13.2	-	15.6	3.3	18.9
Total	-	2.4	13.2	70.4	86.0	16.2	102.2
Transactions recognised directly in equity							
Exercise of share options	0.1	-	-	-	0.1	-	0.1
Other reserves	-	0.4	-	(0.4)	-	(6.2)	(6.2)
Total	0.1	0.4	-	(0.4)	0.1	(6.2)	(6.1)
Balance at 31 March 2019	691.2	83.7	(68.3)	1,969.0	2,675.6	418.3	3,093.9
Total comprehensive income for the period							
Profit for the period	-	-	-	75.9	75.9	14.2	90.1
Other comprehensive income for the period	-	(4.5)	(28.8)	-	(33.3)	(3.8)	(37.1)
Total	-	(4.5)	(28.8)	75.9	42.6	10.4	53.0
Transactions recognised directly in equity							
Exercise of share options	1.0	(0.1)	-	-	0.9	-	0.9
Payment of dividends	-	-	-	(133.2)	(133.2)	-	(133.2)
Other reserves	-	(11.1)	-	(0.8)	(11.9)	(22.2)	(34.1)
Total	1.0	(11.2)	-	(134.0)	(144.2)	(22.2)	(166.4)
Balance at 30 June 2019	692.2	68.0	(97.1)	1,910.9	2,574.0	406.5	2,980.5

* The Group has adopted SFRS(I) 16 Leases on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 11 for further details.

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2018:

	Group					Non-controlling interests	Total equity
	Attributable to shareholders of the Company						
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total		
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2018	688.2	84.2	(3.1)	1,848.9	2,618.2	419.6	3,037.8
Total comprehensive income for the period							
Profit for the period	-	-	-	66.3	66.3	12.3	78.6
Other comprehensive income for the period	-	(2.6)	(7.2)	-	(9.8)	3.0	(6.8)
Total	-	(2.6)	(7.2)	66.3	56.5	15.3	71.8
Transactions recognised directly in equity							
Adjustments arising from acquisition of interest in a subsidiary	-	0.3	-	-	0.3	(1.3)	(1.0)
Other reserves	-	-	-	-	-	(1.4)	(1.4)
Total	-	0.3	-	-	0.3	(2.7)	(2.4)
Balance at 31 March 2018	688.2	81.9	(10.3)	1,915.2	2,675.0	432.2	3,107.2
Total comprehensive income for the period							
Profit for the period	-	-	-	75.0	75.0	13.4	88.4
Other comprehensive income for the period	-	6.8	(12.1)	-	(5.3)	(2.2)	(7.5)
Total	-	6.8	(12.1)	75.0	69.7	11.2	80.9
Transactions recognised directly in equity							
Adjustments arising from acquisition of interest in a subsidiary	-	-	-	-	-	(0.9)	(0.9)
Exercise of share options	2.8	(0.3)	-	-	2.5	-	2.5
Payment of dividends	-	-	-	(130.9)	(130.9)	-	(130.9)
Other reserves	-	1.1	-	(1.1)	-	(37.8)	(37.8)
Total	2.8	0.8	-	(132.0)	(128.4)	(38.7)	(167.1)
Balance at 30 June 2018	691.0	89.5	(22.4)	1,858.2	2,616.3	404.7	3,021.0

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2019:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2019 (as previously reported)	691.1	(32.0)	611.5	1,270.6
Adoption of SFRS(I) 16 *	-	-	(7.0)	(7.0)
Balance at 1 January 2019	691.1	(32.0)	604.5	1,263.6
Total comprehensive income for the period				
Profit for the period	-	-	7.4	7.4
Other comprehensive income for the period	-	(0.9)	-	(0.9)
Total	-	(0.9)	7.4	6.5
Transactions recognised directly in equity				
Exercise of share options	0.1	-	-	0.1
Total	0.1	-	-	0.1
Balance at 31 March 2019	691.2	(32.9)	611.9	1,270.2
Total comprehensive income for the period				
Profit for the period	-	-	112.3	112.3
Other comprehensive income for the period	-	(3.0)	-	(3.0)
Total	-	(3.0)	112.3	109.3
Transactions recognised directly in equity				
Exercise of share options	1.0	(0.1)	-	0.9
Payment of dividends	-	-	(133.2)	(133.2)
Total	1.0	(0.1)	(133.2)	(132.3)
Balance at 30 June 2019	692.2	(36.0)	591.0	1,247.2

* The Company has adopted SFRS(I) 16 *Leases* on 1 January 2019 and adjusted the opening accumulated profits by the cumulative effect of initially applying the standard. Please refer to paragraph 11 for further details.

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2018:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2018	688.2	(32.4)	587.2	1,243.0
Total comprehensive income for the period				
Profit for the period	-	-	4.1	4.1
Other comprehensive income for the period	-	(2.2)	-	(2.2)
Total	-	(2.2)	4.1	1.9
Balance at 31 March 2018	688.2	(34.6)	591.3	1,244.9
Total comprehensive income for the period				
Profit for the period	-	-	127.9	127.9
Other comprehensive income for the period	-	5.7	-	5.7
Total	-	5.7	127.9	133.6
Transactions recognised directly in equity				
Exercise of share options	2.8	(0.3)	-	2.5
Payment of dividends	-	-	(130.9)	(130.9)
Total	2.8	(0.3)	(130.9)	(128.4)
Balance at 30 June 2018	691.0	(29.2)	588.3	1,250.1

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 2nd quarter ended 30 June 2019, the Company issued 646,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 30 June 2019, the total number of issued shares was 2,166,148,663 (31 December 2018: 2,165,402,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 30 June 2019, options to subscribe for 3,043,000 ordinary shares (30 June 2018: 4,429,000 ordinary shares) remained outstanding under the ComfortDelGro Scheme which was not renewed following its expiry on 17 February 2013.

At the Annual General Meeting of ComfortDelGro held on 26 April 2019, Shareholders approved the renewal of the Share Buyback Mandate. As at 30 June 2019, the Company does not hold any treasury shares.

Note: On 6 May 2019, the Company granted the first tranche of share awards of 510,000 ordinary shares under the ComfortDelGro Executive Share Award Scheme. These are time-based awards to be vested over a 4-year period.

8 AUDIT

The financial statements have not been audited or reviewed.

9 AUDITORS' REPORT

Not applicable.

10 ACCOUNTING POLICIES

Except as disclosed in paragraph 11 below, 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 2018.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

SFRS(I) 16 *Leases* is effective for financial years beginning on or after 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

SFRS(I) 16 resulted in most of the leases being recognised on the Statement of Financial Position, as the distinction between operating and finance leases is removed. Under the new standard, it requires a lessee to recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments resulting mainly in higher depreciation, lower lease payments (premises costs) and higher finance costs. The only exceptions are short-term leases and leases of low value assets. The accounting for lessors has not changed significantly.

ROU assets are measured using the cost model and are carried at cost less accumulated depreciation and accumulated impairment loss, if any, subsequent to initial recognition. The carrying amount for lease liabilities subsequent to initial recognition would take into account interest on the lease liabilities, lease payments made and any reassessment or lease modifications.

The ROU assets as at 30 June 2019 were largely related to leases of the office premises, bus depots, workshops, inspection and testing centres occupied by the Group in the various locations. Accordingly, there was a corresponding increase in lease liabilities as at 30 June 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the Statement of Financial Position of the Group and Company as at 1 January 2019. The differences from the Statement of Financial Position as previously reported at 31 December 2018 are as follows:

Statement of Financial Position	Group	Company
	1 Jan 2019 \$'m	1 Jan 2019 \$'m
Increase in other receivables	-	21.4
Increase in right-of-use assets	188.4	2.8
Increase in lease liabilities	(217.7)	(31.2)
Decrease in net assets	<u>(29.3)</u>	<u>(7.0)</u>
Decrease in accumulated profits	24.1	7.0
Decrease in non-controlling interests	5.2	-
Decrease in total equity	<u>29.3</u>	<u>7.0</u>

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

Earnings per ordinary share

	Group			
	2nd Qtr 2019	2nd Qtr 2018	1st Half 2019	1st Half 2018
(i) Based on weighted average number of ordinary shares in issue - cents	3.51	3.47	6.76	6.53
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.50	3.46	6.75	6.52

EBITDA

	Group			
	2nd Qtr 2019	2nd Qtr 2018	1st Half 2019	1st Half 2018
(i) EBITDA (\$'m)	221.6	206.9	434.7	400.5
(ii) EBITDA margin (%)	22.6	22.0	22.5	22.0

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2019	31 Dec 2018	30 Jun 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital - cents	118.83	120.70	57.58	58.68

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$980.8m for 2Q19 was \$39.7m or 4.2% higher compared to \$941.1m for 2Q18 with the increase in revenue coming mainly from contributions from the new acquisitions in the Public Transport Services Business partially offset by decrease in the Taxi Business.

Group Operating Costs of \$865.8m for 2Q19 were \$34.2m or 4.1% higher compared to \$831.6m for 2Q18 mainly from higher staff costs, higher repairs and maintenance costs and higher fuel and electricity costs partially offset by lower road tax. The adoption of SFRS(I) 16 has resulted in an increase in depreciation of right-of-use assets offset by lower premises costs.

Group Operating Profit of \$115.0m for 2Q19 was \$5.5m or 5.0% higher compared to \$109.5m for 2Q18 after taking into account the net negative impact from the foreign currency translation of \$2.1m from the weaker A\$, £ and RMB compared with the same quarter last year. The increase of \$5.5m came mainly from contribution from new acquisitions.

Net Income from Investments of \$2.4m for 2Q19 decreased by \$0.3m or 11.1% from \$2.7m for 2Q18 due to lower interest income in Australia as internal cash was used to fund acquisitions. Finance Costs of \$5.4m for 2Q19 increased by \$2.8m from \$2.6m for 2Q18. Of the increase, \$1.3m was due to the adoption of SFRS(I) 16 and the remaining \$1.5m was mainly due to higher acquisition funding in Australia, higher fleet financing in UK partially offset by lower finance costs in Singapore with the repayment of borrowings.

Consequently, Group Profit before Taxation of \$112.0m for 2Q19 was \$2.4m or 2.2% higher compared to \$109.6m for 2Q18.

Taxation for the Group of \$21.9m for 2Q19 was \$0.7m higher compared to \$21.2m or 3.3% for 2Q18 due mainly to higher taxable profits from Australia this quarter.

Group Profit after Taxation of \$90.1m for 2Q19 was \$1.7m or 1.9% higher than the \$88.4m for 2Q18.

Group Profit attributable to Shareholders of the Company of \$75.9m for 2Q19 increased by \$0.9m or 1.2% compared to \$75.0m for 2Q18.

Group Profit attributable to Non-Controlling Interests of \$14.2m for 2Q19 increased by \$0.8m or 6.0% compared to \$13.4m for 2Q18.

Revenue from Overseas for 2Q19 at 42.7% of Group Revenue was slightly higher compared to 41.3% for 2Q18. Operating Profit from Overseas for 2Q19 was 37.1% of Group Operating Profit compared to 39.5% for 2Q18.

A segmental breakdown by **Business** is provided under item 18.

Revenue from the Group's **Public Transport Services Business** of \$723.8m for 2Q19 was \$53.3m or 7.9% higher than the \$670.5m for 2Q18 due mainly to contributions from new acquisitions in Australia, higher fees earned with higher mileage operated from bus services and higher average fares following the 4.3% fare adjustment from 29 December 2018 and higher ridership from rail services in Singapore.

Revenue from the Group's **Taxi Business** of \$166.9m for 2Q19 was \$15.2m or 8.3% lower compared to \$182.1m for 2Q18 due mainly to the smaller operating fleet.

Revenue from the Group's **Automotive Engineering Services Business** of \$63.7m for 2Q19 was \$1.2m or 1.8% lower than the \$64.9m for 2Q18.

Revenue from the Group's **Inspection and Testing Services Business** of \$25.7m for 2Q19 was \$0.4m or 1.6% higher compared to \$25.3m for 2Q18.

Revenue from the Group's **Driving Centre Business** of \$11.8m for 2Q19 was \$1.0m or 9.3% higher than the \$10.8m for 2Q18.

Revenue from the Group's **Car Rental and Leasing Business** of \$6.8m for 2Q19 was \$0.1m or 1.5% higher than the \$6.7m for 2Q18.

Revenue from the Group's **Bus Station Business** of \$5.7m for 2Q19 decreased by \$0.7m or 10.9% from the \$6.4m for 2Q18.

Statement of Financial Position

The financial position of the Group as at 30 June 2019 remained strong. Total Equity decreased by \$46.6m from \$3,027.1m as at 31 December 2018 to \$2,980.5m as at 30 June 2019 due mainly to the payment of dividends, decrease in foreign currency translation reserve from the weaker A\$, £ and RMB and the adjustments to accumulated profits arising from the adoption of SFRS(I) 16 on 1 January 2019 partially offset by profits generated in 1H19.

Total Assets increased by \$166.2m to \$5,302.9m as at 30 June 2019 from \$5,136.7m as at 31 December 2018 due to increases in non-current assets by \$197.8m partially offset by decreases in current assets by \$31.6m. The increase in non-current assets was mainly due to the recognition of right-of-use assets following the adoption of SFRS(I) 16 and higher grant receivables partially offset by the reduction in vehicle, premises and equipment and goodwill. The decrease in current assets was due mainly to lower short-term deposits and bank balances and lower other receivables and prepayments.

Total Liabilities increased by \$212.8m to \$2,322.4m as at 30 June 2019 from \$2,109.6m as at 31 December 2018 due to increases in non-current liabilities by \$232.7m partially offset by decreases in current liabilities by \$19.9m. The increase in non-current liabilities is due mainly to recognition of lease liabilities following the adoption of SFRS(I) 16 and higher deferred grant income. The decrease in current liabilities is due mainly to reduction in trade and other payables and lower deferred grant income partially offset by increases in short-term borrowings and recognition of lease liabilities following the adoption of SFRS(I) 16.

Cash Flow

The Group recorded a net cash outflow of \$69.9m for 2Q19. As at 30 June 2019, the Group had short-term deposits and bank balances of \$553.2m. After accounting for the borrowings of \$637.4m, the Group had a net debt position of \$84.2m representing a net gearing ratio of 2.8% compared to a net cash position of \$16.2m as at 31 December 2018. The Group's gross gearing ratio (excluding lease liabilities recognised under SFRS(I) 16) was 21.4% as at 30 June 2019 compared to 18.8% as at 31 December 2018.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Revenue from the Public Transport Services Business in Singapore is expected to be higher. However, it will continue to experience significant cost pressures from operating and maintenance costs. Bus service revenue is expected to be higher with the full year contribution from the Seletar and Bukit Merah Bus Packages which commenced in March 2018 and November 2018 respectively. Rail service revenue is expected to be higher with the 4.3% fare increase from 29 December 2018 and higher ridership.

Revenue from the Australia Bus Business is expected to be higher with a full year contribution from the acquisitions made last year as well as the recent acquisition of B&E Blanch Pty Ltd in May 2019. Revenue from the UK Bus Business is expected to be maintained.

Revenue from the Taxi Business is expected to be lower amidst the continuing keen competition.

Revenue from the Automotive Engineering Services Business is expected to be maintained.

Revenue from the Inspection and Testing Services Business is expected to be maintained.

Revenue from the Driving Centre Business is expected to be maintained.

Revenue from the Car Rental and Leasing Business is expected to be lower.

The Group will continue to pursue growth through acquisitions and investments in new technology in the mobility space while transforming and building capabilities to strengthen its existing businesses.

17 DIVIDEND**(a) Current Financial Period Reported On**

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 4.50 cents (2018: 4.35 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.50 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	4.35 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The interim dividend will be paid on 28 August 2019.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 22 August 2019 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, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 21 August 2019 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 2019 will be entitled to the interim dividend.

[illegible]

Half year ended 30 June 2018

Half year ended 30 June 2018	Public Transport <u>Services</u>	<u>Taxi</u>	Automotive Engineering <u>Services</u>	Inspection & Testing <u>Services</u>	Driving <u>Centre</u>	Car Rental & Leasing	Bus <u>Station</u>	<u>Elimination</u>	Total
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue									
External sales	1,283.3	360.7	79.0	49.2	21.0	13.4	13.3	-	1,819.9
Inter-segment sales	0.7	-	48.0	1.5	0.1	-	-	(50.3)	-
TOTAL	1,284.0	360.7	127.0	50.7	21.1	13.4	13.3	(50.3)	1,819.9
RESULT									
Operating Profit	97.1	61.7	14.7	16.1	6.2	3.1	6.3	-	205.2
Net Income from Investments									5.9
Finance Costs									(5.1)
Profit before Taxation									206.0
Taxation									(39.0)
Profit after Taxation									167.0
Non-Controlling Interests									(25.7)
Profit attributable to Shareholders of the Company									141.3

Geographical segmental information for 2nd quarter ended 30 June 2019

	Revenue				Non-current assets*		Additions to non-current assets*	
	2nd Qtr	2nd Qtr	1st Half	1st Half	30 June	30 June	30 June	30 June
	2019	2018	2019	2018	2019	2018	2019	2018
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	562.0	552.3	1,122.4	1,084.8	1,633.6	1,614.4	101.0	51.7
United Kingdom/ Ireland	219.0	226.9	414.2	422.5	572.4	533.7	48.9	41.7
Australia	158.5	117.4	308.8	223.9	1,191.5	849.5	46.2	84.1
China	39.8	43.0	79.9	85.6	321.0	324.6	9.4	25.6
Vietnam	0.8	0.9	1.5	1.8	4.1	5.9	0.3	0.1
Malaysia	0.7	0.6	1.3	1.3	4.0	4.2	0.4	0.6
Total	980.8	941.1	1,928.1	1,819.9	3,726.6	3,332.3	206.2	203.8

* Comprising vehicles, premises, equipment, right-of-use assets, taxi licences and goodwill.

19 BREAKDOWN OF REVENUE

Not applicable.

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

Not applicable.

21 INTERESTED PERSON TRANSACTIONS

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

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.

23 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 second quarter 2019 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Yang Ban Seng
Managing Director/ Group Chief Executive Officer

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy / Yeo Tee Yeok, Edwin
Joint Company Secretaries

13 August 2019