


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Second Quarter 2018 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 2018.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr 2018	2nd Qtr 2017	Incr / (Decr)	1st Half 2018	1st Half 2017	Incr / (Decr)
	\$'m	\$'m	%	\$'m	\$'m	%
Revenue	941.1	893.1	5.4	1,819.9	1,762.9	3.2
Staff costs	403.4	368.2	9.6	786.5	728.6	7.9
Depreciation and amortisation	97.4	102.3	(4.8)	195.3	205.0	(4.7)
Repairs and maintenance costs	72.0	63.7	13.0	140.0	124.9	12.1
Fuel and electricity costs	75.8	55.8	35.8	139.5	112.5	24.0
Contract services	43.4	40.6	6.9	80.1	77.4	3.5
Materials and consumables costs	32.8	38.4	(14.6)	63.2	76.1	(17.0)
Premises costs	25.4	23.2	9.5	50.0	45.5	9.9
Insurance premiums and accident claims	25.2	29.3	(14.0)	49.0	58.1	(15.7)
Road tax	24.5	29.7	(17.5)	48.9	61.4	(20.4)
Advertising production and promotion costs	5.5	4.3	27.9	10.8	8.4	28.6
Utilities and communication costs	5.2	4.9	6.1	10.3	9.7	6.2
Vehicle leasing charges	2.0	3.4	(41.2)	3.8	6.7	(43.3)
Other operating costs	19.0	17.4	9.2	37.3	36.2	3.0
Total Operating Costs	<u>831.6</u>	<u>781.2</u>	6.5	<u>1,614.7</u>	<u>1,550.5</u>	4.1
Operating Profit	109.5	111.9	(2.1)	205.2	212.4	(3.4)
Net Income from Investments	2.7	2.2	22.7	5.8	15.9	(63.5)
Finance Costs	(2.6)	(2.7)	(3.7)	(5.1)	(5.6)	(8.9)
Share of Profit in Associate	-	0.5	N.M.	0.1	2.2	(95.5)
Profit before Taxation	109.6	111.9	(2.1)	206.0	224.9	(8.4)
Taxation	(21.2)	(20.2)	5.0	(39.0)	(38.9)	0.3
Profit after Taxation	<u>88.4</u>	<u>91.7</u>	(3.6)	<u>167.0</u>	<u>186.0</u>	(10.2)
Attributable to :						
Shareholders of the Company	<u>75.0</u>	<u>79.4</u>	<u>(5.5)</u>	<u>141.3</u>	<u>161.9</u>	<u>(12.7)</u>
Non-Controlling Interests	13.4	12.3	8.9	25.7	24.1	6.6
	<u>88.4</u>	<u>91.7</u>	(3.6)	<u>167.0</u>	<u>186.0</u>	(10.2)

N.M. Not meaningful

The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)) 15 *Revenue from Contracts with customers* with effect from 1 January 2018. Certain comparative figures have been reclassified to conform to current period's presentation. Please refer to paragraph 11 for further details.

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2018	31 Dec 2017	30 Jun 2018	31 Dec 2017
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	529.5	596.2	125.6	129.7
Investments	10.2	10.4	5.0	5.2
Trade receivables	270.8	250.6	-	-
Other receivables and prepayments	196.7	195.2	5.1	5.5
Inventories	128.5	113.6	-	-
Total current assets	1,135.7	1,166.0	135.7	140.4
Non-current assets				
Subsidiaries	-	-	1,337.7	1,314.5
Associates	0.9	9.0	-	0.3
Investments	33.3	28.7	21.7	18.3
Other receivables and prepayments	9.1	6.7	19.2	19.8
Grant receivables	210.8	231.2	-	-
Vehicles, premises and equipment	2,606.6	2,722.6	5.8	6.9
Taxi licences	227.0	211.9	-	-
Goodwill	498.7	428.3	-	-
Deferred tax assets	28.1	23.3	-	-
Total non-current assets	3,614.5	3,661.7	1,384.4	1,359.8
Total assets	4,750.2	4,827.7	1,520.1	1,500.2
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	130.6	114.2	-	-
Trade and other payables	639.6	677.3	266.0	253.0
Deferred grants	18.6	19.1	-	-
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	60.0	62.2	-	-
Income tax payable	65.3	52.2	2.6	2.8
Total current liabilities	934.1	945.0	268.6	255.8
Non-current liabilities				
Borrowings	179.1	208.1	-	-
Deferred grants	265.5	282.4	-	-
Other liabilities	75.7	75.9	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	254.8	258.5	1.3	1.3
Total non-current liabilities	795.1	844.9	1.4	1.4
Total liabilities	1,729.2	1,789.9	270.0	257.2
Capital, reserves and non-controlling interests				
Share capital	691.0	688.2	691.0	688.2
Other reserves	131.6	126.4	(29.2)	(32.4)
Foreign currency translation reserve *	(64.5)	(45.3)	-	-
Accumulated profits*	1,858.2	1,848.9	588.3	587.2
Equity attributable to shareholders of the Company	2,616.3	2,618.2	1,250.1	1,243.0
Non-controlling interests	404.7	419.6	-	-
Total equity	3,021.0	3,037.8	1,250.1	1,243.0
Total liabilities and equity	4,750.2	4,827.7	1,520.1	1,500.2

* The Group has adopted SFRS (I) on 1 January 2018 and has elected the optional exemption to reset its cumulative translation reserve to nil at the date of transition on 1 January 2017. Please refer to paragraph 11 for further details.

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

Secured / Unsecured Group Borrowings as at 30 Jun 2018

	<u>30 Jun 2018</u>	<u>31 Dec 2017</u>
	\$ 'm	\$ 'm
Secured		
Amount repayable in one year or less, or on demand	51.9	34.6
Amount repayable after one year	79.1	83.1
	<u>131.0</u>	<u>117.7</u>
Unsecured		
Amount repayable in one year or less, or on demand	78.7	79.6
Amount repayable after one year	100.0	125.0
	<u>178.7</u>	<u>204.6</u>
Total		
Amount repayable in one year or less, or on demand	130.6	114.2
Amount repayable after one year	179.1	208.1
	<u>309.7</u>	<u>322.3</u>

Details of any collateral

Details of the total secured borrowings of \$131.0m are as follows:

- a \$81.0m relates to financing of vehicles under hire purchase arrangements; and
- b \$50.0m relates to borrowings of subsidiaries secured by vehicles.

4 GROUP CASH FLOW STATEMENT

	Group		Group	
	2nd Qtr 2018	2nd Qtr 2017	1st Half 2018	1st Half 2017
	\$'m	\$'m	\$'m	\$'m
Operating activities:				
Profit before Taxation	109.6	111.9	206.0	224.9
Adjustments for:				
Depreciation and amortisation	97.4	102.3	195.3	205.0
Finance costs	2.6	2.7	5.1	5.6
Interest income	(2.7)	(2.2)	(5.3)	(4.7)
Dividend income	-	-	(0.5)	(11.2)
Grant income	(8.5)	(8.9)	(17.4)	(17.9)
Net gain on disposal of vehicles, premises and equipment	(0.7)	(1.3)	(1.2)	(2.5)
Insurance premiums payable and provision for accident claims	4.5	4.1	9.3	8.4
Share of profit in associate	-	(0.5)	(0.1)	(2.2)
Others	(1.4)	(0.4)	-	4.4
Operating cash flows before movements in working capital	200.8	207.7	391.2	409.8
Changes in working capital	28.5	(30.9)	(86.8)	(160.4)
Cash generated from operations	229.3	176.8	304.4	249.4
Income tax paid	(23.9)	(25.7)	(34.9)	(38.4)
Net cash from operating activities	205.4	151.1	269.5	211.0
Investing activities:				
Purchases of vehicles, premises and equipment	(72.8)	(72.1)	(110.5)	(129.5)
Less: Vehicles purchased under finance lease arrangements	-	-	9.3	-
Less: Proceeds from disposal of vehicles, premises and equipment	10.4	15.1	50.6	33.2
Cash payments on purchase of vehicles, premises and equipment	(62.4)	(57.0)	(50.6)	(96.3)
Payment for taxi licences	-	-	(14.7)	-
Acquisition of subsidiaries, net of cash [(Note (a))]	(63.7)	-	(92.2)	-
Interest received	2.9	2.5	6.1	5.7
Dividend received from an associate	-	1.7	-	5.4
Dividend received from investments	0.5	11.1	0.5	11.2
Net cash used in investing activities	(122.7)	(41.7)	(150.9)	(74.0)
Financing activities:				
Acquisition of non-controlling interests in subsidiaries	(0.9)	(2.6)	(1.9)	(203.7)
New loans raised	208.1	246.6	449.3	484.3
Repayment of borrowings	(235.4)	(259.7)	(482.0)	(453.8)
Dividends paid to shareholders of the Company	(130.9)	(130.8)	(130.9)	(130.8)
Dividends paid to non-controlling shareholders of subsidiaries	(38.9)	(14.9)	(40.2)	(28.6)
Proceeds from exercise of share options of the Company	2.5	8.6	2.5	9.3
Proceeds from exercise of share options of a subsidiary	1.1	0.5	1.3	1.3
Grants received	10.9	11.0	22.2	22.2
Interest paid	(2.5)	(2.1)	(5.1)	(5.6)
Net cash used in financing activities	(186.0)	(143.4)	(184.8)	(305.4)
Net effect of exchange rate changes in consolidating subsidiaries	(2.5)	1.4	(0.5)	(4.3)
Net decrease in cash and cash equivalents	(105.8)	(32.6)	(66.7)	(172.7)
Cash and cash equivalents at beginning of period	635.3	639.2	596.2	779.3
Cash and cash equivalents at end of period	529.5	606.6	529.5	606.6

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

Note (a):**Summary of the effects of acquisition of subsidiaries:**

	Group		Group	
	<u>2nd Qtr</u> <u>2018</u> \$'m	<u>2nd Qtr</u> <u>2017</u> \$'m	<u>1st Half</u> <u>2018</u> \$'m	<u>1st Half</u> <u>2017</u> \$'m
Net (assets) liabilities acquired:				
Current assets	(10.9)	-	(25.8)	-
Non-current assets	(12.3)	-	(33.6)	-
Current liabilities	7.9	-	14.5	-
Non-current liabilities	0.4	-	14.9	-
Net assets acquired	<u>(14.9)</u>	<u>-</u>	<u>(30.0)</u>	<u>-</u>
Goodwill on acquisition	(52.3)	-	(78.6)	-
Total purchase consideration	<u>(67.2)</u>	<u>-</u>	<u>(108.6)</u>	<u>-</u>
Less: Cash on acquisition of subsidiaries	3.5	-	6.8	-
Less: Contingent consideration	-	-	9.6	-
Cash flow on acquisition, net of cash	<u>(63.7)</u>	<u>-</u>	<u>(92.2)</u>	<u>-</u>

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		Group	
	2nd Qtr 2018 \$'m	2nd Qtr 2017 \$'m	1st Half 2018 \$'m	1st Half 2017 \$'m
Profit after Taxation	88.4	91.7	167.0	186.0
<i>Items that may be reclassified subsequently to profit and loss</i>				
Fair value adjustment on cash flow hedges	-	1.7	-	1.5
Fair value adjustment on bonds	-	-	(0.1)	-
Exchange differences on translation of foreign operations	(14.3)	5.7	(18.5)	(1.5)
	(14.3)	7.4	(18.6)	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value adjustment on equity investments	6.8	(5.8)	4.3	(15.0)
Other comprehensive income for the period	(7.5)	1.6	(14.3)	(15.0)
Total comprehensive income for the period	80.9	93.3	152.7	171.0
Attributable to:				
Shareholders of the Company	69.7	80.2	126.2	150.9
Non-Controlling Interests	11.2	13.1	26.5	20.1
	80.9	93.3	152.7	171.0

6 STATEMENTS OF CHANGES IN EQUITY

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

	Group						
	Attributable to shareholders of the Company				Non- controlling interests	Total equity	
	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	126.4	(170.8)	1,974.4	2,618.2	419.6	3,037.8
Reclassification on adoption of SFRS(I) 1 *	-	-	125.5	(125.5)	-	-	-
Balance at 1 January 2018 (restated)	688.2	126.4	(45.3)	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	-	0.2	0.1	-	0.3	(1.3)	(1.0)
Other reserves	-	-	-	-	-	(1.4)	(1.4)
Total	-	0.2	0.1	-	0.3	(2.7)	(2.4)
Balance at 31 March 2018	688.2	124.0	(52.4)	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	131.6	(64.5)	1,858.2	2,616.3	404.7	3,021.0

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2017:

	Group						
	Attributable to shareholders of the Company				Non- controlling interests	Total equity	
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits			Total
\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	
Balance at 1 January 2017	676.9	23.4	(125.5)	1,900.7	2,475.5	716.6	3,192.1
Reclassification on adoption of SFRS(I) 1 *	-	-	125.5	(125.5)	-	-	-
Balance at 1 January 2017 (restated)	676.9	23.4	-	1,775.2	2,475.5	716.6	3,192.1
Total comprehensive income for the period							
Profit for the period	-	-	-	82.5	82.5	11.8	94.3
Other comprehensive income for the period	-	(9.4)	(2.4)	-	(11.8)	(4.8)	(16.6)
Total	-	(9.4)	(2.4)	82.5	70.7	7.0	77.7
Transactions recognised directly in equity							
Adjustments arising from acquisition of interest in a subsidiary	-	96.1	(30.5)	-	65.6	(266.7)	(201.1)
Exercise of share options	0.7	-	-	-	0.7	-	0.7
Other reserves	-	(0.3)	-	(0.2)	(0.5)	(13.3)	(13.8)
Total	0.7	95.8	(30.5)	(0.2)	65.8	(280.0)	(214.2)
Balance at 31 March 2017 (restated)	677.6	109.8	(32.9)	1,857.5	2,612.0	443.6	3,055.6
Total comprehensive income for the period							
Profit for the period	-	-	-	79.4	79.4	12.3	91.7
Other comprehensive income for the period	-	(4.2)	5.0	-	0.8	0.8	1.6
Total	-	(4.2)	5.0	79.4	80.2	13.1	93.3
Transactions recognised directly in equity							
Adjustments arising from acquisition of interest in a subsidiary	-	(2.6)	-	-	(2.6)	-	(2.6)
Exercise of share options	9.3	(0.7)	-	-	8.6	-	8.6
Payment of dividends	-	-	-	(130.8)	(130.8)	-	(130.8)
Other reserves	-	0.6	-	(0.8)	(0.2)	(14.7)	(14.9)
Total	9.3	(2.7)	-	(131.6)	(125.0)	(14.7)	(139.7)
Balance at 30 June 2017 (restated)	686.9	102.9	(27.9)	1,805.3	2,567.2	442.0	3,009.2

* The Group has adopted SFRS(I)s on 1 January 2018 and has elected the optional exemption to reset its cumulative translation reserve to nil at the date of transition of 1 January 2017. 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

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2017:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2017	676.9	(13.3)	365.7	1,029.3
Total comprehensive income for the period				
Profit for the period	-	-	195.0	195.0
Other comprehensive income for the period	-	(7.5)	-	(7.5)
Total	-	(7.5)	195.0	187.5
Transactions recognised directly in equity				
Exercise of share options	0.7	-	-	0.7
Total	0.7	-	-	0.7
Balance at 31 March 2017	677.6	(20.8)	560.7	1,217.5
Total comprehensive income for the period				
Profit for the period	-	-	132.0	132.0
Other comprehensive income for the period	-	(4.9)	-	(4.9)
Total	-	(4.9)	132.0	127.1
Transactions recognised directly in equity				
Exercise of share options	9.3	(0.7)	-	8.6
Payment of dividends	-	-	(130.8)	(130.8)
Total	9.3	(0.7)	(130.8)	(122.2)
Balance at 30 June 2017	686.9	(26.4)	561.9	1,222.4

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 2nd quarter ended 30 June 2018, the Company issued 1,695,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 30 June 2018, the total number of issued shares was 2,165,362,663 (31 December 2017: 2,163,617,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 30 June 2018, options to subscribe for 4,429,000 ordinary shares (30 June 2017: 6,979,000 ordinary shares) remained outstanding under the ComfortDelGro Scheme.

The ComfortDelGro Scheme was not renewed following its expiry on 17 February 2013.

As at 30 June 2018, the Company does not hold any treasury shares.

Note: At the Annual General Meeting of ComfortDelGro held on 26 April 2018, the Shareholders had approved the adoption of the Share Buyback Mandate and ComfortDelGro Executive Share Award Scheme.

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 2017.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the Singapore Financial Reporting Standards (International) (SFRS(I)s), that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after 1 January 2018.

The Group has adopted a new financial reporting framework, SFRS(I)s on 1 January 2018 and has prepared its financial information under SFRS(I)s for the second quarter and half year ended 30 June 2018.

The Group has elected for the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 January 2017. As a result, a cumulative translation loss of \$125.5m was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

In accordance with the requirements of SFRS(I) 1 effective for the financial year beginning on or after 1 January 2018, the Group has adopted SFRS(I) 15 *Revenue from Contracts with Customers* retrospectively.

The impact is summarised in the following reconciliation:

Consolidated Income Statement

	2nd Qtr 2017			1st Half 2017		
	As	Effect of SFRS(I) 15	As restated	As	Effect of SFRS(I) 15	As restated
	previously reported			previously reported		
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue	987.2	(94.1)	893.1	1,959.2	(196.3)	1,762.9
Contract services	(129.0)	88.4	(40.6)	(257.3)	179.9	(77.4)
Taxi drivers' benefits	(9.6)	9.6	-	(22.8)	22.8	-
Other operating costs	(13.5)	(3.9)	(17.4)	(29.8)	(6.4)	(36.2)
Other costs	(723.2)	-	(723.2)	(1,436.9)	-	(1,436.9)
Operating Profit	111.9	-	111.9	212.4	-	212.4

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

Earnings per ordinary share

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2018	2017	2018	2017
(i) Based on weighted average number of ordinary shares in issue - cents	3.47	3.67	6.53	7.50
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.46	3.67	6.52	7.49

EBITDA

	Group			
	<u>2nd Qtr 2018</u>	<u>2nd Qtr 2017</u>	<u>1st Half 2018</u>	<u>1st Half 2017</u>
(i) EBITDA (\$'m)	206.9	214.2	400.5	417.4
(ii) EBITDA margin (%)	22.0	24.0	22.0	23.7

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	<u>30 Jun 2018</u>	<u>31 Dec 2017</u>	<u>30 Jun 2018</u>	<u>31 Dec 2017</u>
Net asset value per ordinary share based on issued share capital - cents	120.83	121.01	57.73	57.45

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$941.1m for 2Q18 was \$48.0m or 5.4% higher compared to \$893.1m for 2Q17. The increase was attributable mainly to the improvement in the underlying businesses and contributions from new acquisitions with \$46.2m and a favourable foreign currency translation with \$1.8m. The improvement in the underlying businesses came from the Public Transport Services Business and the Driving Centre Business offset by decreases in the Taxi Business, the Automotive Engineering Services Business, the Car Rental and Leasing Business, the Bus Station Business and the Inspection and Testing Services Business. Of the favourable foreign currency translation of \$1.8m, the stronger £ and RMB accounted for \$4.4m and \$1.3m respectively partially offset by the weaker A\$ which accounted for \$3.9m.

Group Operating Costs of \$831.6m for 2Q18 were \$50.4m or 6.5% higher compared to \$781.2m for 2Q17. While operating costs actually increased by \$48.7m, this was compounded by an unfavourable foreign currency translation of \$1.7m. The actual increase in operating costs was mainly from higher staff costs due mainly to additional headcount for the Seletar Bus Package, higher mileage and new services operated and staff costs arising from newly acquired entities, fuel and electricity costs, repairs and maintenance costs, payment for contract services and premises costs offset by lower materials and consumables costs, road tax, depreciation and insurance premiums and accident claims. Of the unfavourable foreign currency translation of \$1.7m, the stronger £ and RMB accounted for \$4.1m and \$1.0m respectively partially offset by the weaker A\$ which accounted for \$3.4m.

Group Operating Profit of \$109.5m for 2Q18 was \$2.4m or 2.1% lower compared to \$111.9m for 2Q17.

Net Income from Investments of \$2.7m for 2Q18 increased by \$0.5m or 22.7% from \$2.2m for 2Q17 due to higher interest income with higher rates. Finance Costs of \$2.6m for 2Q18 was \$0.1m or 3.7% lower compared to \$2.7m for 2Q17 due mainly to lower interest expenses in Australia and Singapore with the repayment of borrowings.

Share of Profit in Associate for 2Q18 was lower by \$0.5m compared to 2Q17 due to the cessation of equity accounting of ComfortDelGro Insurance Brokers Pte Ltd ('CDGI'). Since the start of 2018, CDGI's financial results have been consolidated after it became a wholly-owned subsidiary of the Group.

Consequently, Group Profit before Taxation of \$109.6m for 2Q18 was \$2.3m or 2.1% lower compared to \$111.9m for 2Q17.

Taxation for the Group of \$21.2m for 2Q18 was \$1.0m or 5.0% higher compared to \$20.2m for 2Q17.

Group Profit after Taxation of \$88.4m for 2Q18 was \$3.3m or 3.6% lower than the \$91.7m for 2Q17.

Group Profit attributable to Shareholders of the Company of \$75.0m for 2Q18 decreased by \$4.4m or 5.5% compared to \$79.4m for 2Q17.

Group Profit attributable to Non-Controlling Interests of \$13.4m for 2Q18 increased by \$1.1m or 8.9% compared to \$12.3m for 2Q17.

Revenue from Overseas for 2Q18 was 41.3% of Group Revenue compared to 41.1% for 2Q17. Operating Profit from Overseas for 2Q18 was 39.5% of Group Operating Profit compared to 38.4% for 2Q17.

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

Revenue from the Group's **Public Transport Services Business** of \$667.9m for 2Q18 was \$81.6m or 13.9% higher than the \$586.3m for 2Q17 from the actual increase in revenue of \$81.5m due mainly to higher fees earned with indexation under the Bus Contracting Model with higher mileages operated due to the commencement of the Seletar Bus Package in March 2018 and higher ridership from rail services with the commencement of Downtown Line Stage 3 ('DTL3') in Singapore coupled with \$0.1m from favourable foreign currency translation as the stronger £ was partially offset by the weaker A\$.

Revenue from the Group's **Taxi Business** of \$184.7m for 2Q18 was \$25.1m or 12.0% lower compared to \$209.8m for 2Q17 due to a reduction in operating fleet. The actual decrease in revenue of \$26.6m was mitigated by a favourable foreign currency translation of \$1.5m from the stronger £ and RMB partially offset by the weaker A\$.

Revenue from the Group's **Automotive Engineering Services Business** of \$64.9m for 2Q18 was \$10.7m or 14.2% lower than the \$75.6m for 2Q17 due to the decrease in revenue mainly from repair and maintenance of taxis from a smaller taxi fleet.

Revenue from the Group's **Inspection and Testing Services Business** of \$25.3m for 2Q18 was \$0.3m or 1.2% lower compared to \$25.6m for 2Q17 with a decrease from the cessation of operations in Beijing offset by an increase in Singapore.

Revenue from the Group's **Driving Centre Business** of \$10.8m for 2Q18 was \$0.5m or 4.9% higher than that of \$10.3m for 2Q17.

Revenue from the Group's **Car Rental and Leasing Business** of \$6.7m for 2Q18 was \$2.2m or 24.7% lower than the \$8.9m for 2Q17.

Revenue from the Group's **Bus Station Business** of \$6.4m for 2Q18 decreased by \$0.2m or 3.0% from \$6.6m for 2Q17.

Statement of Financial Position

The financial position of the Group as at 30 June 2018 remained strong. Total Equity decreased by \$16.8m from \$3,037.8m as at 31 December 2017 to \$3,021.0m as at 30 June 2018 due mainly to the payment of dividends partially offset by profits generated in 1H18.

Total Assets decreased by \$77.5m to \$4,750.2m as at 30 June 2018 from \$4,827.7m as at 31 December 2017 due to decreases in current assets by \$30.3m and non-current assets by \$47.2m. The decrease in current assets was due mainly to lower short-term deposits and bank balances following the payment of dividends offset by increases in trade receivables and inventories. The decrease in non-current assets was due mainly to a decrease in vehicles, premises and equipment partially offset by increases in goodwill and taxi licences from the acquisitions of subsidiaries and taxi licences in Shenyang.

Total Liabilities decreased by \$60.7m to \$1,729.2m as at 30 June 2018 from \$1,789.9m as at 31 December 2017 due mainly to the reduction in trade and other payables and borrowings partially offset by higher income tax payable.

Cash Flow

The Group recorded a net cash outflow of \$105.8m for 2Q18 due mainly to the payment of dividends of \$130.9m. As at 30 June 2018, the Group had short-term deposits and bank balances of \$529.5m. After accounting for the borrowings of \$309.7m, the Group had a net cash position of \$219.8m. The Group's gross gearing ratio was 10.3% as at 30 June 2018 compared to 10.6% as at 31 December 2017.

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. Bus service revenue is expected to be higher with the commencement of the Seletar Bus Package from March 2018 and the Bukit Merah Bus Package in 4Q18. Rail service revenue is expected to be higher with a full year revenue contribution from DTL3. Notwithstanding this, the rail business will continue to be challenging due to the fare reduction effective from 29 December 2017 and rising operating and maintenance costs. Revenue from the Australia Bus Business is expected to be higher whilst revenue from the UK Bus Business is expected to be maintained. The recent acquisition of new bus businesses in Singapore, Australia and the UK will contribute to overall revenue growth.

Revenue from the Taxi Business is expected to maintain with stabilisation in Singapore and the recent acquisitions in China, Australia and UK. In Singapore, the Group will be taking delivery of 200 new hybrid taxis by August 2018 with orders placed for a further 1,000 to be delivered by the middle of 2019. The new acquisitions in China, Australia and UK will continue to contribute.

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 maintained.

The competitive operating environment is expected to present both challenges and opportunities. The Group will continue to manage costs prudently and explore acquisition opportunities.

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

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 4.35 cents (2017: 4.35 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.35 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 2018.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 21 August 2018 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 20 August 2018 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 20 August 2018 will be entitled to the interim dividend.

Geographical segmental information for 2nd quarter ended 30 June 2018

	Revenue				Non-current assets*		Additions to non-current assets*	
	2nd Qtr	2nd Qtr	1st Half	1st Half	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	2018	2017	2018	2017	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	552.3	526.3	1,084.8	1,050.7	1,614.4	1,873.9	51.7	86.6
United Kingdom/ Ireland	226.9	213.5	422.5	408.8	533.7	440.9	41.7	18.1
Australia	117.4	105.2	223.9	206.8	849.5	782.1	84.1	12.1
China	43.0	45.4	85.6	91.4	324.6	316.1	25.6	12.1
Vietnam	0.9	2.0	1.8	3.9	5.9	10.3	0.1	0.2
Malaysia	0.6	0.7	1.3	1.3	4.2	4.3	0.6	0.4
Total	941.1	893.1	1,819.9	1,762.9	3,332.3	3,427.6	203.8	129.5

* Comprising vehicles, premises, equipment, 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 2018 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

10 August 2018