


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Second Quarter 2016 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 2016.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr 2016	2nd Qtr 2015	Incr / (Decr)	1st Half 2016	1st Half 2015	Incr / (Decr)
	\$'m	\$'m	%	\$'m	\$'m	%
Revenue	1,022.3	1,037.2	(1.4)	2,017.9	2,000.7	0.9
Staff costs	363.5	343.4	5.9	719.2	673.1	6.8
Contract services	143.3	147.9	(3.1)	282.0	278.6	1.2
Depreciation and amortisation	97.1	96.0	1.1	193.1	187.7	2.9
Repairs and maintenance costs	65.4	61.4	6.5	131.5	120.2	9.4
Fuel and electricity costs	59.8	75.9	(21.2)	112.9	146.5	(22.9)
Materials and consumables costs	38.4	56.0	(31.4)	77.3	107.7	(28.2)
Road tax	34.8	34.1	2.1	69.2	67.9	1.9
Insurance premiums and accident claims	31.5	32.2	(2.2)	62.9	60.8	3.5
Premises costs	23.1	22.4	3.1	45.2	42.8	5.6
Taxi drivers' benefits	14.6	14.6	-	30.1	28.7	4.9
Vehicle leasing charges	5.5	5.2	5.8	10.7	9.9	8.1
Utilities and communication costs	5.0	5.5	(9.1)	10.1	10.7	(5.6)
Advertising production and promotion costs	5.0	5.8	(13.8)	9.6	9.6	-
Other operating costs	12.4	15.9	(22.0)	31.8	32.5	(2.2)
Total Operating Costs	<u>899.4</u>	<u>916.3</u>	(1.8)	<u>1,785.6</u>	<u>1,776.7</u>	0.5
Operating Profit	122.9	120.9	1.7	232.3	224.0	3.7
Net Income from Investments	4.3	4.3	-	7.5	7.3	2.7
Finance Costs	(3.7)	(4.5)	(17.8)	(7.7)	(9.2)	(16.3)
Share of Profit in Associate	0.7	0.5	(40.0)	2.4	2.0	20.0
Profit before Taxation	124.2	121.2	2.5	234.5	224.1	4.6
Taxation	(23.3)	(24.6)	(5.3)	(45.2)	(45.1)	0.2
Profit after Taxation	<u>100.9</u>	<u>96.6</u>	4.5	<u>189.3</u>	<u>179.0</u>	5.8
Attributable to :						
Shareholders of the Company	85.2	80.9	5.3	158.6	148.5	6.8
Non-Controlling Interests	15.7	15.7	-	30.7	30.5	0.7
	<u>100.9</u>	<u>96.6</u>	4.5	<u>189.3</u>	<u>179.0</u>	5.8

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	772.8	787.8	276.9	329.6
Trade receivables	134.4	138.5	-	-
Other receivables and prepayments	226.0	277.2	1.9	1.8
Due from subsidiaries	-	-	4.3	3.7
Finance lease receivables	0.3	1.1	-	-
Inventories	79.7	75.1	-	-
Total current assets	1,213.2	1,279.7	283.1	335.1
Non-current assets				
Subsidiaries	-	-	1,121.5	1,121.5
Associates	9.2	10.2	0.1	0.1
Investments	53.0	51.6	34.1	33.0
Other receivables and prepayments	2.7	22.0	0.1	0.1
Grant receivables	227.1	245.3	-	-
Due from subsidiaries	-	-	19.0	19.5
Finance lease receivables	0.3	0.4	-	-
Vehicles, premises and equipment	2,807.8	2,909.0	8.5	9.5
Taxi licences	213.0	230.5	-	-
Goodwill	419.3	442.6	-	-
Deferred tax assets	23.7	25.0	-	-
Total non-current assets	3,756.1	3,936.6	1,183.3	1,183.7
Total assets	4,969.3	5,216.3	1,466.4	1,518.8
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	42.3	126.4	-	-
Trade and other payables	733.0	833.4	50.0	50.4
Deferred grants	16.8	17.3	-	-
Due to subsidiaries and associate	9.7	10.9	365.9	426.8
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	73.7	79.8	-	-
Income tax payable	55.5	49.1	3.0	2.2
Total current liabilities	951.0	1,136.9	418.9	479.4
Non-current liabilities				
Borrowings	407.4	432.2	-	-
Deferred grants	263.8	279.2	-	-
Other liabilities	98.0	109.5	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	230.3	225.9	2.8	2.8
Total non-current liabilities	1,019.5	1,066.8	2.9	2.9
Total liabilities	1,970.5	2,203.7	421.8	482.3
Capital, reserves and non-controlling interests				
Share capital	675.1	665.5	675.1	665.5
Other reserves	(36.2)	(64.2)	(20.7)	(21.0)
Foreign currency translation reserve	(145.5)	(53.7)	-	-
Accumulated profits	1,836.4	1,787.5	390.2	392.0
Equity attributable to shareholders of the Company	2,329.8	2,335.1	1,044.6	1,036.5
Non-controlling interests	669.0	677.5	-	-
Total equity	2,998.8	3,012.6	1,044.6	1,036.5
Total liabilities and equity	4,969.3	5,216.3	1,466.4	1,518.8

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	<u>30 Jun 2016</u>	<u>31 Dec 2015</u>
	\$ 'm	\$ 'm
Secured		
Amount repayable in one year or less, or on demand	33.1	37.9
Amount repayable after one year	138.0	162.2
	<u>171.1</u>	<u>200.1</u>
Unsecured		
Amount repayable in one year or less, or on demand	9.2	88.5
Amount repayable after one year	269.4	270.0
	<u>278.6</u>	<u>358.5</u>
Total		
Amount repayable in one year or less, or on demand	42.3	126.4
Amount repayable after one year	407.4	432.2
	<u>449.7</u>	<u>558.6</u>

Details of any collateral

Details of the total secured borrowings of \$171.1m are as follows:

- a \$98.8m relates to financing of vehicles under hire purchase arrangements; and
- b \$72.3m relates to borrowings of subsidiaries secured by vehicles.

4 GROUP CASH FLOW STATEMENT

	Group		Group	
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2016	2015	2016	2015
	\$'m	\$'m	\$'m	\$'m
Operating activities:				
Profit before Taxation	124.2	121.2	234.5	224.1
Adjustments for:				
Depreciation and amortisation	97.1	96.0	193.1	187.7
Finance costs	3.7	4.5	7.7	9.2
Interest income	(3.1)	(3.1)	(6.3)	(6.1)
Dividend income	(1.2)	(1.2)	(1.2)	(1.2)
Grant income	(36.2)	(32.8)	(68.8)	(62.9)
Net gain on disposal of vehicles	(1.0)	(1.1)	(1.5)	(1.6)
Share of profit in associate	(0.7)	(0.5)	(2.4)	(2.0)
Others	(1.0)	(0.3)	0.3	0.5
Operating cash flows before movements in working capital	181.8	182.7	355.4	347.7
Changes in working capital	(47.4)	(31.7)	11.8	(29.4)
Cash generated from operations	134.4	151.0	367.2	318.3
Income tax paid	(23.1)	(29.4)	(34.4)	(45.3)
Net cash from operating activities	111.3	121.6	332.8	273.0
Investing activities:				
Purchases of vehicles, premises and equipment	(123.9)	(227.3)	(201.0)	(365.7)
Less: Vehicles purchased under finance lease arrangements	-	1.3	-	18.7
Less: Proceeds from disposal of vehicles	16.4	10.5	25.0	20.5
Cash payments on purchase of vehicles, premises and equipment	(107.5)	(215.5)	(176.0)	(326.5)
Payment for taxi licences	(0.3)	(0.1)	(0.3)	(0.4)
Purchase of an investment	-	-	(0.3)	-
Interest received	2.9	2.8	6.0	5.6
Dividend received from an associate	1.7	-	3.4	1.5
Dividend received from investments	1.2	1.2	1.2	1.2
Net cash used in investing activities	(102.0)	(211.6)	(166.0)	(318.6)
Financing activities:				
New loans raised	71.5	80.0	226.3	184.9
Repayment of borrowings	(101.5)	(88.1)	(324.0)	(174.3)
Capital contribution from non-controlling shareholder of a subsidiary	-	-	0.5	-
Dividends paid to shareholders of the Company	(107.8)	(96.6)	(107.8)	(96.6)
Dividends paid to non-controlling shareholders of subsidiaries	(10.4)	(11.5)	(21.3)	(20.3)
Proceeds from exercise of share options of the Company	4.2	8.0	8.7	12.8
Proceeds from exercise of share options of subsidiaries	1.2	0.2	1.3	0.2
Grants received	37.5	33.4	74.1	65.6
Interest paid	(3.1)	(4.2)	(8.2)	(9.1)
Proceeds from unclaimed dividends	0.1	-	0.1	-
Net cash used in financing activities	(108.3)	(78.8)	(150.3)	(36.8)
Net effect of exchange rate changes in consolidating subsidiaries	(16.1)	(2.1)	(31.5)	4.1
Net decrease in cash and cash equivalents	(115.1)	(170.9)	(15.0)	(78.3)
Cash and cash equivalents at beginning of period	887.9	918.4	787.8	825.8
Cash and cash equivalents at end of period	772.8	747.5	772.8	747.5

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

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		Group	
	2nd Qtr 2016 \$'m	2nd Qtr 2015 \$'m	1st Half 2016 \$'m	1st Half 2015 \$'m
Profit after Taxation	100.9	96.6	189.3	179.0
<i>Items that may be reclassified subsequently to profit and loss</i>				
Fair value adjustment on cash flow hedges	21.5	26.9	27.4	36.5
Fair value adjustment on bonds	-	(0.1)	0.1	(0.1)
Exchange differences on translation of foreign operations	(60.6)	2.8	(113.1)	(2.6)
	<u>(39.1)</u>	<u>29.6</u>	<u>(85.6)</u>	<u>33.8</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value adjustment on equity investments	(1.4)	(11.3)	1.5	(12.1)
Other comprehensive income for the period	<u>(40.5)</u>	<u>18.3</u>	<u>(84.1)</u>	<u>21.7</u>
Total comprehensive income for the period	<u><u>60.4</u></u>	<u><u>114.9</u></u>	<u><u>105.2</u></u>	<u><u>200.7</u></u>
Attributable to:				
Shareholders of the Company	55.6	99.1	93.5	171.3
Non-Controlling Interests	4.8	15.8	11.7	29.4
	<u>60.4</u>	<u>114.9</u>	<u>105.2</u>	<u>200.7</u>

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

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2016:

	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 2016	665.5	(64.2)	(53.7)	1,787.5	2,335.1	677.5	3,012.6
Total comprehensive income for the period							
Profit for the period	-	-	-	73.4	73.4	15.0	88.4
Other comprehensive income for the period	-	8.4	(43.9)	-	(35.5)	(8.1)	(43.6)
Total	-	8.4	(43.9)	73.4	37.9	6.9	44.8
Transactions recognised directly in equity							
Exercise of share options	5.0	(0.5)	-	-	4.5	-	4.5
Other reserves	-	1.2	-	(1.1)	0.1	(10.4)	(10.3)
Total	5.0	0.7	-	(1.1)	4.6	(10.4)	(5.8)
Balance at 31 March 2016	670.5	(55.1)	(97.6)	1,859.8	2,377.6	674.0	3,051.6
Total comprehensive income for the period							
Profit for the period	-	-	-	85.2	85.2	15.7	100.9
Other comprehensive income for the period	-	18.3	(47.9)	-	(29.6)	(10.9)	(40.5)
Total	-	18.3	(47.9)	85.2	55.6	4.8	60.4
Transactions recognised directly in equity							
Exercise of share options	4.6	(0.4)	-	-	4.2	-	4.2
Payment of dividends	-	-	-	(107.8)	(107.8)	-	(107.8)
Other reserves	-	1.0	-	(0.8)	0.2	(9.8)	(9.6)
Total	4.6	0.6	-	(108.6)	(103.4)	(9.8)	(113.2)
Balance at 30 June 2016	675.1	(36.2)	(145.5)	1,836.4	2,329.8	669.0	2,998.8

Consolidated Statement of Changes in Equity for the 2nd quarter ended 30 June 2015:

	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 2015	646.4	(77.4)	(50.4)	1,671.3	2,189.9	648.9	2,838.8
Total comprehensive income for the period							
Profit for the period	-	-	-	67.6	67.6	14.8	82.4
Other comprehensive income for the period	-	7.6	(3.0)	-	4.6	(1.2)	3.4
Total	-	7.6	(3.0)	67.6	72.2	13.6	85.8
Transactions recognised directly in equity							
Exercise of share options	5.3	(0.5)	-	-	4.8	-	4.8
Other reserves	-	-	-	-	-	(8.8)	(8.8)
Total	5.3	(0.5)	-	-	4.8	(8.8)	(4.0)
Balance at 31 March 2015	651.7	(70.3)	(53.4)	1,738.9	2,266.9	653.7	2,920.6
Total comprehensive income for the period							
Profit for the period	-	-	-	80.9	80.9	15.7	96.6
Other comprehensive income for the period	-	12.5	5.7	-	18.2	0.1	18.3
Total	-	12.5	5.7	80.9	99.1	15.8	114.9
Transactions recognised directly in equity							
Exercise of share options	8.7	(0.7)	-	-	8.0	-	8.0
Payment of dividends	-	-	-	(96.6)	(96.6)	-	(96.6)
Other reserves	-	1.0	-	(1.1)	(0.1)	(10.8)	(10.9)
Total	8.7	0.3	-	(97.7)	(88.7)	(10.8)	(99.5)
Balance at 30 June 2015	660.4	(57.5)	(47.7)	1,722.1	2,277.3	658.7	2,936.0

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2016:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2016	665.5	(21.0)	392.0	1,036.5
Total comprehensive income for the period				
Profit for the period	-	-	24.9	24.9
Other comprehensive income for the period	-	2.5	-	2.5
Total	-	2.5	24.9	27.4
Transactions recognised directly in equity				
Exercise of share options	5.0	(0.5)	-	4.5
Total	5.0	(0.5)	-	4.5
Balance at 31 March 2016	670.5	(19.0)	416.9	1,068.4
Total comprehensive income for the period				
Profit for the period	-	-	81.0	81.0
Other comprehensive income for the period	-	(1.3)	-	(1.3)
Total	-	(1.3)	81.0	79.7
Transactions recognised directly in equity				
Exercise of share options	4.6	(0.4)	-	4.2
Payment of dividends	-	-	(107.8)	(107.8)
Other reserves	-	-	0.1	0.1
Total	4.6	(0.4)	(107.7)	(103.5)
Balance at 30 June 2016	675.1	(20.7)	390.2	1,044.6

Statement of Changes in Equity of the Company for the 2nd quarter ended 30 June 2015:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2015	646.4	(2.5)	402.6	1,046.5
Total comprehensive income for the period				
Profit for the period	-	-	11.1	11.1
Other comprehensive income for the period	-	(0.9)	-	(0.9)
Total	-	(0.9)	11.1	10.2
Transactions recognised directly in equity				
Exercise of share options	5.3	(0.5)	-	4.8
Total	5.3	(0.5)	-	4.8
Balance at 31 March 2015	651.7	(3.9)	413.7	1,061.5
Total comprehensive income for the period				
Profit for the period	-	-	79.3	79.3
Other comprehensive income for the period	-	(9.4)	-	(9.4)
Total	-	(9.4)	79.3	69.9
Transactions recognised directly in equity				
Exercise of share options	8.7	(0.7)	-	8.0
Payment of dividends	-	-	(96.6)	(96.6)
Total	8.7	(0.7)	(96.6)	(88.6)
Balance at 30 June 2015	660.4	(14.0)	396.4	1,042.8

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 2nd quarter ended 30 June 2016, the Company issued 2,615,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 30 June 2016, the total number of issued shares was 2,155,871,663 (31 December 2015: 2,150,264,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 30 June 2016, options to subscribe for 14.0 million ordinary shares (30 June 2015: 22.5 million 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 2016, the Company does not hold any treasury shares.

8 AUDIT

The financial statements have not been audited or reviewed.

9 AUDITORS' REPORT

Not applicable.

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2015.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2016.

The adoption of these new and revised FRSs has no material effect on the amounts reported for the current or prior years.

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

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
	2016	2015	2016	2015
(i) Based on weighted average number of ordinary shares in issue - cents	3.96	3.77	7.37	6.93
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.94	3.75	7.34	6.89

EBITDA

	Group			
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2016	2015	2016	2015
(i) EBITDA (\$'m)	220.0	216.9	425.4	411.7
(ii) EBITDA margin (%)	21.5	20.9	21.1	20.6

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
	Net asset value per ordinary share based on issued share capital - cents	108.07	108.60	48.45

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$1,022.3m for 2Q16 was \$14.9m or 1.4% lower compared to \$1,037.2m for 2Q15. While Group Revenue actually increased by \$3.1m, this was eroded by an unfavourable currency translation of \$18.0m from the weaker £, A\$ and RMB. The growth in revenue came from the Rail Business, the Taxi Business and the Driving Centre Business offset by decreases in the Bus Business, the Automotive Engineering Services Business, the Inspection and Testing Services Business, the Car Rental and Leasing Business and the Bus Station Business.

Group Operating Costs of \$899.4m for 2Q16 were \$16.9m or 1.8% lower compared to \$916.3m for 2Q15. While operating costs actually decreased by \$1.0m, costs were further reduced by a favourable foreign currency translation of \$15.9m. The decrease in operating costs was mainly due to lower fuel and electricity costs, lower materials and consumables costs, lower payments for contract services and lower other operating costs offset by higher staff costs, higher repairs and maintenance costs and higher depreciation.

Group Operating Profit of \$122.9m for 2Q16 was \$2.0m or 1.7% higher compared to \$120.9m for 2Q15. This was negatively affected by an unfavourable foreign currency translation of \$2.1m.

Net Income from Investments of \$4.3m for 2Q16 was the same as that for 2Q15. Finance Costs of \$3.7m for 2Q16 decreased by \$0.8m or 17.8% from \$4.5m in 2Q15 due mainly to lower interest expense in Australia with the repayment of borrowings.

Share of Profit in Associate of \$0.7m for 2Q16 was \$0.2m or 40.0% higher than that for 2Q15.

Group Profit before Taxation of \$124.2m for 2Q16 was \$3.0m or 2.5% higher compared to \$121.2m for 2Q15.

Taxation for the Group of \$23.3m for 2Q16 was 18.8% of Group Profit before Taxation compared to \$24.6m or 20.3% for 2Q15.

Group Profit attributable to Shareholders of the Company of \$85.2m for 2Q16 increased by \$4.3m or 5.3% compared to \$80.9m for 2Q15.

Group Profit attributable to Non-Controlling Interests of \$15.7m for 2Q16 was the same compared to that for 2Q15.

Revenue from Overseas for 2Q16 was 38.0% of Group Revenue compared to 39.5% for 2Q15. Operating Profit from Overseas for 2Q16 was 41.8% of Group Operating Profit compared to 46.3% in 2Q15.

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

Revenue from the Group's **Bus Business** of \$513.5m for 2Q16 was \$24.9m or 4.6% lower than the \$538.4m for 2Q15. The decrease was due to an unfavourable currency translation of \$14.2m from the weaker £ and A\$ and an actual decrease of \$10.7m due to the absence of special charter events in Singapore for which contracts were secured by ComfortDelGro Bus in 2Q15 offset by an increase in revenue at SBS Transit.

Revenue from the Group's **Taxi Business** of \$340.2m for 2Q16 was \$9.4m or 2.8% higher compared to \$330.8m for 2Q15. The actual increase in revenue of \$12.6m was partially eroded by an unfavourable currency translation of \$3.2m from the weaker £, RMB and A\$.

Revenue from the Group's **Bus Station Business** of \$7.0m for 2Q16 decreased by \$0.4m or 5.4% from \$7.4m for 2Q15 due mainly to the unfavourable currency translation of the weaker RMB.

Revenue from the Group's **Rail Business** of \$65.1m for 2Q16 was \$12.8m or 24.5% higher than the \$52.3m for 2Q15 due to the increase in average daily ridership.

Revenue from the Group's **Automotive Engineering Services Business** of \$83.9m for 2Q16 was \$10.9m or 11.5% lower than the \$94.8m for 2Q15 due mainly to lower prices for diesel sold to our taxi drivers.

Revenue from the Group's **Inspection and Testing Services Business** of \$26.9m for 2Q16 was \$1.5m or 5.3% lower compared to \$28.4m for 2Q15 due to lower business volumes.

Revenue from the Group's **Driving Centre Business** of \$10.0m for 2Q16 was \$0.1m or 1.0% higher than the \$9.9m for 2Q15.

Revenue from the Group's **Car Rental and Leasing Business** of \$9.2m for 2Q16 was \$0.5m or 5.2% lower than the \$9.7m for 2Q15.

Statement of Financial Position

The financial position of the Group as at 30 June 2016 remained strong. Total Equity decreased by \$13.8m from \$3,012.6m as at 31 December 2015 to \$2,998.8m as at 30 June 2016 due to profits generated in 1H16 partially offset by the payment of dividends and the negative impact on the foreign currency translation reserve.

Total Assets decreased by \$247.0m to \$4,969.3m as at 30 June 2016 due mainly to decrease in vehicles, premises and equipment, other receivables and prepayments and short-term deposits and bank balances.

Total Liabilities decreased by \$233.2m to \$1,970.5m as at 30 June 2016 due mainly to the reduction in borrowings and trade and other payables.

Cash Flow

The Group recorded a net cash outflow of \$115.1m for 2Q16. As at 30 June 2016, the Group had short-term deposits and bank balances of \$772.8m. After accounting for the borrowings of \$449.7m, the Group had a net cash position of \$323.1m. The Group's gross gearing ratio was 15.0% as at 30 June 2016 compared to 18.5% as at 31 December 2015.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Bus revenue in Singapore is expected to be maintained. The Singapore Bus Business under SBS Transit has entered into the Negotiated Contract with the Land Transport Authority ('LTA') for the operation of public bus services under the Bus Contracting Model ('BCM') with effect from 1 September 2016. Under the BCM, the Bus revenue will comprise a service fee for the provision of bus services and revenue from advertising and rental. In addition, LTA will pay SBS Transit a leasing fee for the use of its existing fleet of buses based on the depreciation of the buses over the statutory lifespan. Revenue from the Australia Bus Business is expected to be maintained whilst revenue from the UK Bus Business is expected to decrease with the weaker £.

Revenue from the Rail Business is expected to increase with higher ridership from Downtown Line 2.

Revenue from the Bus Station Business in Guangzhou is expected to be lower with increasing competition from the expanding high speed rail network.

Revenue from the Taxi Business is expected to be maintained.

Revenue from the Automotive Engineering Services Business is expected to be lower as the price of diesel sold to our taxi drivers is expected to remain low.

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

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

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

Costs, in particular staff costs, are expected to be higher.

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

The Directors are pleased to declare a tax-exempt one-tier interim dividend of 4.25 cents (2015: 4.00 cents) per ordinary share.

Name of Dividend	Interim
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	4.25 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	4.00 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The interim dividend will be paid on 29 August 2016.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 23 August 2016 for the purposes of determining Shareholders' entitlements to the interim dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 22 August 2016 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 22 August 2016 will be entitled to the interim dividend.

Half year ended 30 June 2016	Bus	Bus	Rail	Taxi	Automotive	Inspection	Car Rental	Driving	Elimination	Total
	Station	Station	Station	Station	Engineering	& Testing	& Leasing	Centre	Centre	Centre
	\$'m	\$'m	\$'m	\$'m	Services	Services	Services	Services	Services	Services
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue										
External sales	1,004.5	14.8	130.1	673.9	104.5	51.7	18.6	19.8	-	2,017.9
Inter-segment sales	1.3	-	-	-	64.5	1.7	-	0.2	(67.7)	-
TOTAL	1,005.8	14.8	130.1	673.9	169.0	53.4	18.6	20.0	(67.7)	2,017.9
RESULT										
Operating Profit	83.3	6.8	3.9	85.1	26.1	17.0	4.2	5.9	-	232.3
Net Income from Investments										7.5
Finance Costs										(7.7)
Share of Profit in Associate										2.4
Profit before Taxation										<u>234.5</u>
Taxation										(45.2)
Profit after Taxation										<u>189.3</u>
Non-Controlling Interests										(30.7)
Profit attributable to Shareholders of the Company										<u><u>158.6</u></u>

Half year ended 30 June 2015	Bus	Bus	Rail	Taxi	Automotive	Inspection	Car Rental	Driving	Elimination	Total
	Station	Station	Station	Station	Engineering	& Testing	& Leasing	Centre	Centre	Centre
	\$'m	\$'m	\$'m	\$'m	Services	Services	Services	Services	Services	Services
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Revenue										
External sales	1,015.1	15.3	103.3	652.6	120.4	55.7	19.0	19.3	-	2,000.7
Inter-segment sales	1.3	-	-	-	67.6	1.7	0.1	0.2	(70.9)	-
TOTAL	1,016.4	15.3	103.3	652.6	188.0	57.4	19.1	19.5	(70.9)	2,000.7
RESULT										
Operating Profit	85.2	6.6	4.9	80.7	18.6	19.3	4.3	4.4	-	224.0
Net income from Investments										7.3
Finance Costs										(9.2)
Share of Profit in Associate										2.0
Profit before Taxation										<u>224.1</u>
Taxation										(45.1)
Profit after Taxation										<u>179.0</u>
Non-Controlling Interests										(30.5)
Profit attributable to Shareholders of the Company										<u><u>148.5</u></u>

Geographical segmental information for 2nd quarter ended 30 June 2016

	Revenue				Non-current assets*		Additions to non-current assets*	
	2nd Qtr	2nd Qtr	1st Half	1st Half	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	2016	2015	2016	2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	634.2	627.7	1,253.2	1,222.5	1,940.5	2,068.9	170.8	282.7
United Kingdom/ Ireland	242.4	253.6	470.9	468.4	407.8	490.2	4.7	43.1
Australia	94.4	98.2	185.5	193.5	736.8	775.1	6.7	21.1
China	48.2	54.8	102.3	110.6	336.8	374.2	17.3	16.0
Vietnam	2.3	2.0	4.6	3.9	13.3	13.4	1.7	2.7
Malaysia	0.8	0.9	1.4	1.8	4.9	5.9	0.1	0.5
Total	1,022.3	1,037.2	2,017.9	2,000.7	3,440.1	3,727.7	201.3	366.1

* 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 2016 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/ Group Chief Executive Officer

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

12 August 2016