


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Second Quarter 2017 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 2017.

1 GROUP INCOME STATEMENT

	Group					
	2nd Qtr 2017	2nd Qtr 2016	Incr / (Decr)	1st Half 2017	1st Half 2016	Incr / (Decr)
	\$'m	\$'m	%	\$'m	\$'m	%
Revenue	987.2	1,022.3	(3.4)	1,959.2	2,017.9	(2.9)
Staff costs	368.2	363.5	1.3	728.6	719.2	1.3
Contract services	129.0	143.3	(10.0)	257.3	282.0	(8.8)
Depreciation and amortisation	102.3	97.1	5.4	205.0	193.1	6.2
Repairs and maintenance costs	63.7	65.4	(2.6)	124.9	131.5	(5.0)
Fuel and electricity costs	55.8	59.8	(6.7)	112.5	112.9	(0.4)
Materials and consumables costs	38.4	38.4	-	76.1	77.3	(1.6)
Road tax	29.7	34.8	(14.7)	61.4	69.2	(11.3)
Insurance premiums and accident claims	29.3	31.5	(7.0)	58.1	62.9	(7.6)
Premises costs	23.2	23.1	0.4	45.5	45.2	0.7
Taxi drivers' benefits	9.6	14.6	(34.2)	22.8	30.1	(24.3)
Utilities and communication costs	4.9	5.0	(2.0)	9.7	10.1	(4.0)
Advertising production and promotion costs	4.3	5.0	(14.0)	8.4	9.6	(12.5)
Vehicle leasing charges	3.4	5.5	(38.2)	6.7	10.7	(37.4)
Other operating costs	13.5	12.4	8.9	29.8	31.8	(6.3)
Total Operating Costs	<u>875.3</u>	<u>899.4</u>	<u>(2.7)</u>	<u>1,746.8</u>	<u>1,785.6</u>	<u>(2.2)</u>
Operating Profit	111.9	122.9	(9.0)	212.4	232.3	(8.6)
Net Income from Investments	2.2	4.3	(48.8)	15.9	7.5	N.M.
Finance Costs	(2.7)	(3.7)	(27.0)	(5.6)	(7.7)	(27.3)
Share of Profit in Associate	0.5	0.7	(28.6)	2.2	2.4	(8.3)
Profit before Taxation	111.9	124.2	(9.9)	224.9	234.5	(4.1)
Taxation	(20.2)	(23.3)	(13.3)	(38.9)	(45.2)	(13.9)
Profit after Taxation	<u>91.7</u>	<u>100.9</u>	<u>(9.1)</u>	<u>186.0</u>	<u>189.3</u>	<u>(1.7)</u>
Attributable to :						
Shareholders of the Company	<u>79.4</u>	<u>85.2</u>	<u>(6.8)</u>	<u>161.9</u>	<u>158.6</u>	<u>2.1</u>
Non-Controlling Interests	12.3	15.7	(21.7)	24.1	30.7	(21.5)
	<u>91.7</u>	<u>100.9</u>	<u>(9.1)</u>	<u>186.0</u>	<u>189.3</u>	<u>(1.7)</u>

N.M. Not meaningful

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	606.6	779.3	120.6	309.6
Trade receivables	257.4	237.4	-	-
Other receivables and prepayments	178.3	152.7	2.0	2.5
Due from subsidiaries	-	-	2.9	2.9
Inventories	94.2	81.7	-	-
Total current assets	1,136.5	1,251.1	125.5	315.0
Non-current assets				
Subsidiaries	-	-	1,320.6	1,121.5
Associates	8.0	11.2	0.3	0.3
Investments	46.7	62.9	29.3	41.7
Other receivables and prepayments	3.5	3.0	0.1	0.1
Grant receivables	234.6	237.6	-	-
Due from subsidiaries	-	-	-	19.8
Vehicles, premises and equipment	2,784.5	2,887.4	7.7	8.0
Taxi licences	211.4	217.7	-	-
Goodwill	431.7	427.5	-	-
Deferred tax assets	27.1	23.6	-	-
Total non-current assets	3,747.5	3,870.9	1,358.0	1,191.4
Total assets	4,884.0	5,122.0	1,483.5	1,506.4
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	245.7	169.3	-	-
Trade and other payables	687.5	771.4	30.3	49.9
Deferred grants	18.7	17.9	-	-
Due to subsidiaries and associate	5.3	14.3	225.7	422.2
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	68.1	70.2	-	-
Income tax payable	52.2	48.5	2.7	2.6
Total current liabilities	1,097.5	1,111.6	258.7	474.7
Non-current liabilities				
Borrowings	131.4	175.8	-	-
Deferred grants	281.5	279.6	-	-
Other liabilities	89.9	90.7	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	254.5	252.2	2.3	2.3
Total non-current liabilities	777.3	818.3	2.4	2.4
Total liabilities	1,874.8	1,929.9	261.1	477.1
Capital, reserves and non-controlling interests				
Share capital	686.9	676.9	686.9	676.9
Other reserves	102.9	23.4	(26.4)	(13.3)
Foreign currency translation reserve	(153.4)	(125.5)	-	-
Accumulated profits	1,930.8	1,900.7	561.9	365.7
Equity attributable to shareholders of the Company	2,567.2	2,475.5	1,222.4	1,029.3
Non-controlling interests	442.0	716.6	-	-
Total equity	3,009.2	3,192.1	1,222.4	1,029.3
Total liabilities and equity	4,884.0	5,122.0	1,483.5	1,506.4

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	<u>30 Jun 2017</u>	<u>31 Dec 2016</u>
	\$ 'm	\$ 'm
Secured		
Amount repayable in one year or less, or on demand	19.3	19.0
Amount repayable after one year	81.3	89.8
	<u>100.6</u>	<u>108.8</u>
Unsecured		
Amount repayable in one year or less, or on demand	226.4	150.3
Amount repayable after one year	50.1	86.0
	<u>276.5</u>	<u>236.3</u>
Total		
Amount repayable in one year or less, or on demand	245.7	169.3
Amount repayable after one year	131.4	175.8
	<u>377.1</u>	<u>345.1</u>

Details of any collateral

Details of the total secured borrowings of \$100.6m are as follows:

- a \$56.3m relates to financing of vehicles under hire purchase arrangements; and
- b \$44.3m relates to borrowings of subsidiaries secured by vehicles.

4 GROUP CASH FLOW STATEMENT

	Group		Group	
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2017	2016	2017	2016
	\$'m	\$'m	\$'m	\$'m
Operating activities:				
Profit before Taxation	111.9	124.2	224.9	234.5
Adjustments for:				
Depreciation and amortisation	102.3	97.1	205.0	193.1
Finance costs	2.7	3.7	5.6	7.7
Interest income	(2.2)	(3.1)	(4.7)	(6.3)
Dividend income	-	(1.2)	(11.2)	(1.2)
Grant income	(8.9)	(36.2)	(17.9)	(68.8)
Net gain on disposal of vehicles	(1.3)	(1.0)	(2.5)	(1.5)
Share of profit in associate	(0.5)	(0.7)	(2.2)	(2.4)
Others	(0.8)	(1.0)	3.6	0.3
Operating cash flows before movements in working capital	203.2	181.8	400.6	355.4
Changes in working capital	(26.4)	(47.4)	(151.2)	11.8
Cash generated from operations	176.8	134.4	249.4	367.2
Income tax paid	(25.7)	(23.1)	(38.4)	(34.4)
Net cash from operating activities	151.1	111.3	211.0	332.8
Investing activities:				
Purchases of vehicles, premises and equipment	(72.1)	(123.9)	(129.5)	(201.0)
Less: Proceeds from disposal of vehicles	15.1	16.4	33.2	25.0
Cash payments on purchase of vehicles, premises and equipment	(57.0)	(107.5)	(96.3)	(176.0)
Payment for taxi licences	-	(0.3)	-	(0.3)
Investment made	-	-	-	(0.3)
Interest received	2.5	2.9	5.7	6.0
Dividend received from an associate	1.7	1.7	5.4	3.4
Dividend received from investments	11.1	1.2	11.2	1.2
Net cash used in investing activities	(41.7)	(102.0)	(74.0)	(166.0)
Financing activities:				
Acquisition of non-controlling interests in a subsidiary	(2.6)	-	(203.7)	-
New loans raised	246.6	71.5	484.3	226.3
Repayment of borrowings	(259.7)	(101.5)	(453.8)	(324.0)
Capital contribution from non-controlling shareholder of a subsidiary	-	-	-	0.5
Dividends paid to shareholders of the Company	(130.8)	(107.8)	(130.8)	(107.8)
Dividends paid to non-controlling shareholder of subsidiaries	(14.9)	(10.4)	(28.6)	(21.3)
Proceeds from exercise of share options of the Company	8.6	4.2	9.3	8.7
Proceeds from exercise of share options of subsidiaries	0.5	1.2	1.3	1.3
Grants received	11.0	37.5	22.2	74.1
Interest paid	(2.1)	(3.1)	(5.6)	(8.2)
Proceeds from unclaimed dividends	-	0.1	-	0.1
Net cash used in financing activities	(143.4)	(108.3)	(305.4)	(150.3)
Net effect of exchange rate changes in consolidating subsidiaries	1.4	(16.1)	(4.3)	(31.5)
Net decrease in cash and cash equivalents	(32.6)	(115.1)	(172.7)	(15.0)
Cash and cash equivalents at beginning of period	639.2	887.9	779.3	787.8
Cash and cash equivalents at end of period	606.6	772.8	606.6	772.8

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		Group	
	2nd Qtr	2nd Qtr	1st Half	1st Half
	2017	2016	2017	2016
	\$'m	\$'m	\$'m	\$'m
Profit after Taxation	91.7	100.9	186.0	189.3
<i>Items that may be reclassified subsequently to profit and loss</i>				
Fair value adjustment on cash flow hedges	1.7	21.5	1.5	27.4
Fair value adjustment on bonds	-	-	-	0.1
Exchange differences on translation of foreign operations	5.7	(60.6)	(1.5)	(113.1)
	7.4	(39.1)	-	(85.6)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value adjustment on equity investments	(5.8)	(1.4)	(15.0)	1.5
Other comprehensive income for the period	1.6	(40.5)	(15.0)	(84.1)
Total comprehensive income for the period	93.3	60.4	171.0	105.2
Attributable to:				
Shareholders of the Company	80.2	55.6	150.9	93.5
Non-Controlling Interests	13.1	4.8	20.1	11.7
	93.3	60.4	171.0	105.2

6 STATEMENTS OF CHANGES IN EQUITY

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
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	677.6	109.8	(158.4)	1,983.0	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	686.9	102.9	(153.4)	1,930.8	2,567.2	442.0	3,009.2

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

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

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

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 2nd quarter ended 30 June 2017, the Company issued 5,491,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 30 June 2017, the total number of issued shares was 2,162,812,663 (31 December 2016: 2,156,851,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 30 June 2017, options to subscribe for 6,979,000 ordinary shares (30 June 2016: 14,020,000 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 2017, 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 2016.

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 2017.

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			
	<u>2nd Qtr 2017</u>	<u>2nd Qtr 2016</u>	<u>1st Half 2017</u>	<u>1st Half 2016</u>
(i) Based on weighted average number of ordinary shares in issue - cents	3.67	3.96	7.50	7.37
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.67	3.94	7.49	7.34

EBITDA

	Group			
	<u>2nd Qtr 2017</u>	<u>2nd Qtr 2016</u>	<u>1st Half 2017</u>	<u>1st Half 2016</u>
(i) EBITDA (\$'m)	214.2	220.0	417.4	425.4
(ii) EBITDA margin (%)	21.7	21.5	21.3	21.1

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	<u>30 Jun 2017</u>	<u>31 Dec 2016</u>	<u>30 Jun 2017</u>	<u>31 Dec 2016</u>
Net asset value per ordinary share based on issued share capital - cents	118.70	114.77	56.52	47.72

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$987.2m for 2Q17 was \$35.1m or 3.4% lower compared to \$1,022.3m for 2Q16. Of the \$35.1m decrease, more than half or \$18.2m was from an unfavourable foreign currency translation and \$16.9m from the underlying business. Of the unfavourable foreign currency translation, the weaker £ accounted for \$20.4m and the weaker RMB for \$1.1m offset by the stronger A\$ which accounted for \$3.3m. The decrease in the underlying business was from decreases in the Taxi Business, the Automotive Engineering Services Business, the Inspection and Testing Services Business, the Bus Station Business and the Car Rental and Leasing Business offset by increases in the Public Transport Services Business and the Driving Centre Business.

Group Operating Costs of \$875.3m for 2Q17 were \$24.1m or 2.7% lower compared to \$899.4m for 2Q16. The decrease in operating costs from the underlying business was \$7.3m and the favourable foreign currency translation was \$16.8m. Of the favourable foreign currency translation of \$16.8m, the weaker £ accounted for \$18.9m and the weaker RMB for \$0.8m offset by the stronger A\$ which accounted for \$2.9m. The decrease in operating costs of \$24.1m was mainly from lower payment for contract services, lower road tax, lower taxi drivers' benefits, lower fuel and electricity costs, lower insurance premiums and accident claims and lower other costs offset by higher depreciation and higher staff costs.

Group Operating Profit of \$111.9m for 2Q17 was \$11.0m or 9.0% lower compared to \$122.9m for 2Q16. The decrease in operating profit from the underlying business of \$9.6m was compounded by an unfavourable foreign currency translation of \$1.4m.

Net Income from Investments of \$2.2m for 2Q17 decreased by \$2.1m or 48.8% from \$4.3m for 2Q16 due mainly to lower interest income. Finance Costs of \$2.7m for 2Q17 decreased by \$1.0m or 27.0% from \$3.7m in 2Q16 due mainly to lower interest expense in Australia and the UK with the repayment of borrowings and lower interest rates.

Share of Profit in Associate of \$0.5m for 2Q17 was \$0.2m or 28.6% lower than the \$0.7m in 2Q16.

Consequently, Group Profit before Taxation of \$111.9m for 2Q17 was \$12.3m or 9.9% lower compared to \$124.2m for 2Q16.

Taxation for the Group of \$20.2m for 2Q17 was 18.1% of Group Profit before Taxation compared to \$23.3m or 18.8% of Group Profit before Taxation for 2Q16.

Group Profit after Taxation of \$91.7m for 2Q17 was \$9.2m or 9.1% lower than the \$100.9m for 2Q16.

Group Profit attributable to Shareholders of the Company of \$79.4m for 2Q17 decreased by \$5.8m or 6.8% compared to \$85.2m for 2Q16 due to lower Group Profit after Taxation partially offset by higher profits due to the contribution from the acquisition of the 49.0% interest in ComfortDelGro Corporation Australia ('CDC').

Group Profit attributable to Non-Controlling Interests of \$12.3m for 2Q17 decreased by \$3.4m or 21.7% compared to \$15.7m for 2Q16 due mainly to the elimination of the Non-Controlling Interest's 49.0% share in CDC.

Revenue from Overseas for 2Q17 was 37.7% of Group Revenue compared to 38.0% for 2Q16. Operating Profit from Overseas for 2Q17 was 38.4% of Group Operating Profit compared to 41.8% for 2Q16.

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

Revenue from the Group's **Public Transport Services Business** of \$586.3m for 2Q17 was \$7.7m or 1.3% higher than the \$578.6m for 2Q16 as the actual revenue increase was partially eroded by an unfavourable foreign currency translation from the weaker £ offset by the stronger A\$.

Revenue from the Group's **Taxi Business** of \$303.9m for 2Q17 was \$36.3m or 10.7% lower compared to \$340.2m for 2Q16 due to increased competition and a negative foreign currency translation effect from the weaker £ and RMB offset by the stronger A\$.

Revenue from the Group's **Bus Station Business** of \$6.6m for 2Q17 decreased by \$0.4m or 5.7% from \$7.0m for 2Q16.

Revenue from the Group's **Automotive Engineering Services Business** of \$75.6m for 2Q17 was \$8.3m or 9.9% lower than the \$83.9m for 2Q16 due to the reduction in revenue from repair and maintenance of taxis and diesel sales to taxi hirers from a smaller taxi fleet.

Revenue from the Group's **Inspection and Testing Services Business** of \$25.6m for 2Q17 was \$1.3m or 4.8% lower compared to \$26.9m for 2Q16.

Revenue from the Group's **Car Rental and Leasing Business** of \$8.9m for 2Q17 was \$0.3m or 3.3% lower than the \$9.2m for 2Q16.

Revenue from the Group's **Driving Centre Business** of \$10.3m for 2Q17 was \$0.3m or 3.0% higher than the \$10.0m for 2Q16.

Statement of Financial Position

The financial position of the Group as at 30 June 2017 remained strong. Total Equity decreased by \$182.9m from \$3,192.1m as at 31 December 2016 to \$3,009.2m as at 30 June 2017 due mainly to the payment for the acquisition of the remaining 49.0% interest in CDC and the payment of dividends partially offset by profits generated in 1H17 and the negative goodwill from the acquisition of the 49.0% interest in CDC.

Total Assets decreased by \$238.0m to \$4,884.0m as at 30 June 2017 from \$5,122.0m as at 31 December 2016 due to decreases in current assets by \$114.6m and non-current assets by \$123.4m. The decrease in current assets was due mainly to lower short-term deposits and bank balances following the payment for the acquisition of the 49.0% interest in CDC offset by increases in other receivables and prepayments and trade receivables. The decrease in non-current assets was due mainly to a decrease in vehicles, premises and equipment.

Total Liabilities decreased by \$55.1m to \$1,874.8m as at 30 June 2017 from \$1,929.9m as at 31 December 2016 due mainly to the reduction in trade and other payables and lower long-term borrowings partially offset by an increase in short-term borrowings.

Cash Flow

The Group recorded a net cash outflow of \$32.6m for 2Q17. As at 30 June 2017, the Group had short-term deposits and bank balances of \$606.6m. After accounting for the borrowings of \$377.1m, the Group had a net cash position of \$229.5m. The Group's gross gearing ratio was 12.5% as at 30 June 2017 compared to 10.8% as at 31 December 2016.

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 this year with a full year contribution of revenue under the Bus Contracting Model compared to four months' contribution in 2016. Rail service revenue is also expected to be higher with continued growth in ridership although this will be affected by the 4.2% fare reduction effective 30 December 2016. DTL 3 is expected to commence revenue service on 21 October 2017. Revenue from the Australia Bus Business is expected to be higher while revenue from the UK Bus Business is expected to decrease.

Revenue from the Taxi Business is expected to be lower as the operating environment continues to be challenging with the substantial increase in private hire vehicles.

Revenue from the Automotive Engineering Services Business is expected to be lower with the expected drop in taxi fleet and a corresponding reduction in the volume of diesel expected to be sold to our taxi drivers.

Revenue from the Inspection and Testing Services Business is expected to be lower with the expected fall in business volumes in the non-vehicle testing business.

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

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

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

The operating environment remains challenging and costs will continue to be managed prudently.

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 (2016: 4.25 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	4.25 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The interim dividend will be paid on 28 August 2017.

(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 2017 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 2017 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 2017 will be entitled to the interim dividend.

Geographical segmental information for 2nd quarter ended 30 June 2017

	Revenue				Non-current assets*		Additions to non-current assets*	
	2nd Qtr 2017	2nd Qtr 2016	1st Half 2017	1st Half 2016	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	615.5	634.2	1,237.8	1,253.2	1,873.9	1,940.5	86.6	170.8
United Kingdom/ Ireland	218.4	242.4	418.0	470.9	440.9	407.8	18.1	4.7
Australia	105.2	94.4	206.8	185.5	782.1	736.8	12.1	6.7
China	45.4	48.2	91.4	102.3	316.1	336.8	12.1	17.3
Vietnam	2.0	2.3	3.9	4.6	10.3	13.3	0.2	1.7
Malaysia	0.7	0.8	1.3	1.4	4.3	4.9	0.4	0.1
Total	987.2	1,022.3	1,959.2	2,017.9	3,427.6	3,440.1	129.5	201.3

* 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 2017 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

11 August 2017