


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Third Quarter 2019 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the Third Quarter and 9 months to 30 September 2019.

1 GROUP INCOME STATEMENT

	Group					
	3rd Qtr 2019	3rd Qtr 2018	Incr / (Decr)	9 Months to 30 Sep 2019	9 Months to 30 Sep 2018	Incr / (Decr)
	\$'m	\$'m	%	\$'m	\$'m	%
Revenue	979.0	967.9	1.1	2,907.1	2,787.8	4.3
Staff costs	433.8	417.7	3.9	1,286.5	1,204.2	6.8
Depreciation and amortisation*	104.8	92.5	13.3	317.1	286.8	10.6
Fuel and electricity costs	76.7	79.4	(3.4)	226.1	218.9	3.3
Repairs and maintenance costs	78.5	74.6	5.2	225.7	214.6	5.2
Contract services	43.0	43.9	(2.1)	125.6	124.0	1.3
Materials and consumables costs	30.5	35.1	(13.1)	93.4	98.3	(5.0)
Insurance premiums and accident claims	20.8	26.3	(20.9)	70.9	75.3	(5.8)
Road tax	18.2	24.0	(24.2)	58.9	71.1	(17.2)
Premises costs*	19.4	26.9	(27.9)	57.5	76.9	(25.2)
Advertising production and promotion costs*	6.3	6.3	-	17.5	17.1	2.3
Utilities and communication costs	5.2	5.2	-	15.9	15.5	2.6
Other operating costs*	32.9	22.6	45.6	80.7	66.5	21.4
Total Operating Costs	<u>870.1</u>	<u>854.5</u>	1.8	<u>2,575.8</u>	<u>2,469.2</u>	4.3
Operating Profit	108.9	113.4	(4.0)	331.3	318.6	4.0
Net Income from Investments	2.9	3.2	(9.4)	8.7	9.1	(4.4)
Finance Costs*	(5.3)	(2.7)	96.3	(16.2)	(7.8)	N.M.
Profit before Taxation	106.5	113.9	(6.5)	323.8	319.9	1.2
Taxation	(23.1)	(21.6)	6.9	(67.0)	(60.6)	10.6
Profit after Taxation	<u>83.4</u>	<u>92.3</u>	(9.6)	<u>256.8</u>	<u>259.3</u>	(1.0)
Attributable to :						
Shareholders of the Company	70.0	78.5	(10.8)	216.3	219.8	(1.6)
Non-Controlling Interests	13.4	13.8	(2.9)	40.5	39.5	2.5
	<u>83.4</u>	<u>92.3</u>	(9.6)	<u>256.8</u>	<u>259.3</u>	(1.0)

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

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 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	518.5	586.1	131.5	159.9
Trade receivables	350.1	275.4	-	-
Other receivables and prepayments	251.6	277.0	24.1	32.3
Inventories	151.7	138.7	-	-
Total current assets	1,271.9	1,277.2	155.6	192.2
Non-current assets				
Subsidiaries	-	-	1,230.7	1,230.7
Associates	0.8	0.9	-	-
Investments	23.9	29.6	12.3	19.0
Other receivables and prepayments	4.2	6.2	345.0	338.1
Grant receivables	277.8	212.8	-	-
Vehicles, premises and equipment	2,651.9	2,691.3	3.4	5.1
Right-of-use assets *	167.3	-	2.5	-
Taxi licences	213.6	218.9	-	-
Goodwill	646.8	677.5	-	-
Deferred tax assets	26.7	22.3	-	-
Total non-current assets	4,013.0	3,859.5	1,593.9	1,592.9
Total assets	5,284.9	5,136.7	1,749.5	1,785.1
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	233.5	90.4	-	5.8
Lease liabilities *	24.5	-	3.2	-
Trade and other payables	673.1	691.0	167.2	169.0
Deferred grants	26.9	91.4	-	-
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	50.3	52.0	-	-
Income tax payable	78.6	64.5	1.0	0.3
Total current liabilities	1,106.9	1,009.3	171.4	175.1
Non-current liabilities				
Borrowings	400.3	479.5	327.7	338.0
Lease liabilities *	173.6	-	25.8	-
Deferred grants	357.8	271.1	-	-
Other liabilities	81.0	80.3	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	220.9	249.4	1.3	1.3
Total non-current liabilities	1,253.6	1,100.3	354.9	339.4
Total liabilities	2,360.5	2,109.6	526.3	514.5
Capital, reserves and non-controlling interests				
Share capital	692.2	691.1	692.2	691.1
Other reserves	63.7	80.9	(38.8)	(32.0)
Foreign currency translation reserve	(119.5)	(81.5)	-	-
Accumulated profits *	1,883.4	1,923.1	569.8	611.5
Equity attributable to shareholders of the Company	2,519.8	2,613.6	1,223.2	1,270.6
Non-controlling interests *	404.6	413.5	-	-
Total equity	2,924.4	3,027.1	1,223.2	1,270.6
Total liabilities and equity	5,284.9	5,136.7	1,749.5	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 Sep 2019

	<u>30 Sep 2019</u>	<u>31 Dec 2018</u>
	\$ 'm	\$ 'm
<u>Borrowings</u>		
Secured		
Amount repayable in one year or less, or on demand	75.5	76.3
Amount repayable after one year	72.7	66.5
	<u>148.2</u>	<u>142.8</u>
Unsecured		
Amount repayable in one year or less, or on demand	158.0	14.1
Amount repayable after one year	327.6	413.0
	<u>485.6</u>	<u>427.1</u>
Amount repayable in one year or less, or on demand	233.5	90.4
Amount repayable after one year	400.3	479.5
	<u>633.8</u>	<u>569.9</u>
<u>Lease liabilities</u>		
Secured		
Amount repayable in one year or less, or on demand	24.5	-
Amount repayable after one year	173.6	-
	<u>198.1</u>	<u>-</u>

Details of any collateral

Details of the total secured borrowings of \$148.2m and lease liabilities of \$198.1m are as follows:

- a \$97.5m relates to financing of vehicles under hire purchase arrangements; and
- b \$50.7m relates to borrowings of subsidiaries secured by vehicles; and
- c \$198.1m relates to lease liabilities on adoption of SFRS(l) 16 *Leases*.

4 GROUP CASH FLOW STATEMENT

	Group		Group	
	3rd Qtr	3rd Qtr	9 Months to	9 Months to
	2019	2018	30 Sep 2019	30 Sep 2018
	\$'m	\$'m	\$'m	\$'m
Operating activities:				
Profit before Taxation	106.5	113.9	323.8	319.9
Adjustments for:				
Depreciation and amortisation *	104.8	92.5	317.1	286.8
Finance costs *	5.3	2.7	16.2	7.8
Interest income	(2.2)	(2.7)	(7.9)	(8.0)
Dividend income	(0.6)	(0.5)	(1.0)	(1.0)
Grant income	(10.4)	(8.6)	(27.2)	(26.0)
Net gain on disposal of vehicles, premises and equipment	(3.4)	(0.3)	(4.5)	(1.5)
Insurance premiums payable and provision for accident claims	5.0	4.8	16.0	14.1
Others	0.3	1.4	2.7	2.3
Operating cash flows before movements in working capital	205.3	203.2	635.2	594.4
Changes in working capital	(13.6)	(4.8)	(152.2)	(91.6)
Cash generated from operations	191.7	198.4	483.0	502.8
Income tax paid	(29.8)	(29.6)	(75.7)	(64.5)
Interest paid arising from leases *	(1.3)	-	(4.0)	-
Net cash from operating activities	160.6	168.8	403.3	438.3
Investing activities:				
Purchases of vehicles, premises and equipment	(123.9)	(126.1)	(328.4)	(236.6)
Less: Vehicles purchased under finance lease arrangements	24.2	18.5	28.5	27.8
Less: Proceeds from disposal of vehicles, premises and equipment	32.5	8.5	77.2	59.1
Cash payments on purchase of vehicles, premises and equipment	(67.2)	(99.1)	(222.7)	(149.7)
Payment for taxi licences	-	(0.7)	-	(15.4)
Investments made	-	-	(3.1)	-
Acquisition of subsidiaries, net of cash (Note (a))	-	(126.5)	(32.4)	(218.7)
Interest received	2.0	2.4	8.0	8.5
Dividend received from investments	0.6	0.5	1.0	1.0
Net cash used in investing activities	(64.6)	(223.4)	(249.2)	(374.3)
Financing activities:				
Acquisition of non-controlling interests in subsidiaries	-	-	-	(1.9)
New loans raised	299.9	401.7	965.8	851.0
Repayment of borrowings	(318.3)	(279.9)	(914.7)	(761.9)
Payments under lease liabilities *	(6.6)	-	(19.6)	-
Dividends paid to shareholders of the Company	(97.5)	(94.2)	(230.7)	(225.1)
Dividends paid to non-controlling shareholders of subsidiaries	(12.2)	(10.9)	(40.6)	(51.1)
Proceeds from exercise of share options of the Company	-	0.1	1.0	2.6
Proceeds from exercise of share options of a subsidiary	-	-	0.3	1.3
Grants received	13.3	10.7	35.7	32.9
Interest paid	(4.9)	(2.8)	(11.9)	(7.9)
Net cash from/(used in) financing activities	(126.3)	24.7	(214.7)	(160.1)
Net effect of exchange rate changes in consolidating subsidiaries	(4.4)	(8.7)	(7.0)	(9.2)
Net decrease in cash and cash equivalents	(34.7)	(38.6)	(67.6)	(105.3)
Cash and cash equivalents at beginning of period	553.2	529.5	586.1	596.2
Cash and cash equivalents at end of period	518.5	490.9	518.5	490.9

* Incorporate 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	
	<u>3rd Qtr</u> <u>2019</u> \$'m	<u>3rd Qtr</u> <u>2018</u> \$'m	<u>9 Months to</u> <u>30 Sep 2019</u> \$'m	<u>9 Months to</u> <u>30 Sep 2018</u> \$'m
Net (assets) liabilities acquired:				
Current assets	-	(6.2)	(18.2)	(32.0)
Non-current assets	-	(58.2)	(117.8)	(91.8)
Current liabilities	-	3.3	6.8	17.8
Non-current liabilities	-	1.3	92.5	16.2
Net assets acquired	-	(59.8)	(36.7)	(89.8)
Goodwill on acquisition	-	(68.1)	(1.7)	(146.7)
Total purchase consideration	-	(127.9)	(38.4)	(236.5)
Less: Cash and cash equivalent balances acquired	-	1.4	6.0	8.2
Less: Contingent consideration	-	-	-	9.6
Net cash outflow on acquisition of subsidiaries	-	(126.5)	(32.4)	(218.7)

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group		Group	
	3rd Qtr 2019 \$'m	3rd Qtr 2018 \$'m	9 Months to 30 Sep 2019 \$'m	9 Months to 30 Sep 2018 \$'m
Profit after Taxation	83.4	92.3	256.8	259.3
<i>Items that may be reclassified subsequently to profit and loss</i>				
Fair value adjustment on cash flow hedges	(1.3)	-	1.9	-
Fair value adjustment on bonds	-	(0.1)	-	(0.2)
Exchange differences on translation of foreign operations	(25.2)	(34.6)	(41.9)	(53.1)
	<u>(26.5)</u>	<u>(34.7)</u>	<u>(40.0)</u>	<u>(53.3)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Fair value adjustment on equity investments	(3.3)	(1.8)	(8.0)	2.5
Other comprehensive income for the period	<u>(29.8)</u>	<u>(36.5)</u>	<u>(48.0)</u>	<u>(50.8)</u>
Total comprehensive income for the period	<u><u>53.6</u></u>	<u><u>55.8</u></u>	<u><u>208.8</u></u>	<u><u>208.5</u></u>
Attributable to:				
Shareholders of the Company	43.3	47.2	171.9	173.4
Non-Controlling Interests	10.3	8.6	36.9	35.1
	<u><u>53.6</u></u>	<u><u>55.8</u></u>	<u><u>208.8</u></u>	<u><u>208.5</u></u>

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 3rd quarter and 9 months to 30 September 2019:

	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 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	-	-	-	146.3	146.3	27.1	173.4
Other comprehensive income for the period	-	(2.1)	(15.6)	-	(17.7)	(0.5)	(18.2)
Total	-	(2.1)	(15.6)	146.3	128.6	26.6	155.2
Transactions recognised directly in equity							
Exercise of share options	1.1	(0.1)	-	-	1.0	-	1.0
Payment of dividends	-	-	-	(133.2)	(133.2)	-	(133.2)
Other reserves	-	(10.7)	-	(1.2)	(11.9)	(28.4)	(40.3)
Total	1.1	(10.8)	-	(134.4)	(144.1)	(28.4)	(172.5)
Balance at 30 June 2019	692.2	68.0	(97.1)	1,910.9	2,574.0	406.5	2,980.5
Total comprehensive income for the period							
Profit for the period	-	-	-	70.0	70.0	13.4	83.4
Other comprehensive income for the period	-	(4.3)	(22.4)	-	(26.7)	(3.1)	(29.8)
Total	-	(4.3)	(22.4)	70.0	43.3	10.3	53.6
Transactions recognised directly in equity							
Payment of dividends	-	-	-	(97.5)	(97.5)	-	(97.5)
Other reserves	-	-	-	-	-	(12.2)	(12.2)
Total	-	-	-	(97.5)	(97.5)	(12.2)	(109.7)
Balance at 30 September 2019	692.2	63.7	(119.5)	1,883.4	2,519.8	404.6	2,924.4

* 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 3rd quarter and 9 months to 30 September 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	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	-	-	-	141.3	141.3	25.7	167.0
Other comprehensive income for the period	-	4.2	(19.3)	-	(15.1)	0.8	(14.3)
Total	-	4.2	(19.3)	141.3	126.2	26.5	152.7
Transactions recognised directly in equity							
Adjustments arising from acquisition of interest in a subsidiary	-	0.2	0.1	-	0.3	(2.2)	(1.9)
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)	-	(39.2)	(39.2)
Total	2.8	1.0	0.1	(132.0)	(128.1)	(41.4)	(169.5)
Balance at 30 June 2018	691.0	89.4	(22.3)	1,858.2	2,616.3	404.7	3,021.0
Total comprehensive income for the period							
Profit for the period	-	-	-	78.5	78.5	13.8	92.3
Other comprehensive income for the period	-	(1.9)	(29.4)	-	(31.3)	(5.2)	(36.5)
Total	-	(1.9)	(29.4)	78.5	47.2	8.6	55.8
Transactions recognised directly in equity							
Exercise of share options	0.1	-	-	-	0.1	-	0.1
Payment of dividends	-	-	-	(94.2)	(94.2)	-	(94.2)
Other reserves	-	(0.1)	-	0.1	-	(11.1)	(11.1)
Total	0.1	(0.1)	-	(94.1)	(94.1)	(11.1)	(105.2)
Balance at 30 September 2018	691.1	87.4	(51.7)	1,842.6	2,569.4	402.2	2,971.6

Statement of Changes in Equity of the Company for the 3rd quarter and 9 months to 30 September 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	-	-	119.7	119.7
Other comprehensive income for the period	-	(3.9)	-	(3.9)
Total	-	(3.9)	119.7	115.8
Transactions recognised directly in equity				
Exercise of share options	1.1	(0.1)	-	1.0
Payment of dividends	-	-	(133.2)	(133.2)
Total	1.1	(0.1)	(133.2)	(132.2)
Balance at 30 June 2019	692.2	(36.0)	591.0	1,247.2
Total comprehensive income for the period				
Profit for the period	-	-	76.3	76.3
Other comprehensive income for the period	-	(2.8)	-	(2.8)
Total	-	(2.8)	76.3	73.5
Transactions recognised directly in equity				
Payment of dividends	-	-	(97.5)	(97.5)
Total	-	-	(97.5)	(97.5)
Balance at 30 September 2019	692.2	(38.8)	569.8	1,223.2

* 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 3rd quarter and 9 months to 30 September 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	-	-	132.0	132.0
Other comprehensive income for the period	-	3.5	-	3.5
Total	-	3.5	132.0	135.5
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
Total comprehensive income for the period				
Profit for the period	-	-	87.7	87.7
Other comprehensive income for the period	-	(1.6)	-	(1.6)
Total	-	(1.6)	87.7	86.1
Transactions recognised directly in equity				
Exercise of share options	0.1	-	-	0.1
Payment of dividends	-	-	(94.2)	(94.2)
Total	0.1	-	(94.2)	(94.1)
Balance at 30 September 2018	691.1	(30.8)	581.8	1,242.1

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the 3rd quarter ended 30 September 2019, the Company issued 10,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 30 September 2019, the total number of issued shares was 2,166,158,663 (31 December 2018: 2,165,402,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 30 September 2019, options to subscribe for 2,893,000 ordinary shares (30 September 2018: 4,389,000 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 September 2019, the Company does not hold any treasury shares.

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 September 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 September 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		1 Jan 2019	
	\$/m		\$/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)

Earning per ordinary share

	Group			
	3rd Qtr 2019	3rd Qtr 2018	9 Months to 30 Sep 2019	9 Months to 30 Sep 2018
(i) Based on weighted average number of ordinary shares in issue - cents	3.23	3.63	9.99	10.16
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	3.23	3.62	9.98	10.15

EBITDA

	Group			
	3rd Qtr 2019	3rd Qtr 2018	9 Months to 30 Sep 2019	9 Months to 30 Sep 2018
(i) EBITDA (\$'m)	213.7	205.9	648.4	605.4
(ii) EBITDA margin (%)	21.8	21.3	22.3	21.7

13 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Net asset value per ordinary share based on issued share capital - cents	116.33	120.70	56.47	58.68

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$979.0m for 3Q19 was \$11.1m or 1.1% higher compared to \$967.9m for 3Q18 with the increase coming from the new acquisitions mainly from the Public Transport Services Business partially offset by the unfavourable foreign currency translation from the weaker £ and A\$ and decreases from the existing businesses.

Group Operating Costs of \$870.1m for 3Q19 were \$15.6m or 1.8% higher compared to \$854.5m for 3Q18 mainly from higher staff costs, higher depreciation due mainly to the adoption of SFRS(I)16, higher other operating costs and higher repairs and maintenance costs partially offset by lower premises costs due mainly to the adoption of SFRS(I) 16, lower road tax, lower insurance premiums and accident claims, lower material and consumables costs and lower fuel and electricity costs.

Group Operating Profit of \$108.9m for 3Q19 was \$4.5m or 4.0% lower compared to \$113.4m for 3Q18 after taking into account the net negative impact from the foreign currency translation of \$1.8m mainly from the weaker A\$ and £ compared with the same quarter last year. The decrease in Group Operating Profit in 3Q19 came largely from the Taxi Business in Singapore due to keener competition and a reduced taxi fleet partially offset by contribution from new acquisitions in the Australian Bus Business.

Net Income from Investments of \$2.9m for 3Q19 decreased by \$0.3m or 9.4% from \$3.2m for 3Q18 due to lower interest income in Australia as internal cash balances were used to fund the acquisitions. Finance Costs of \$5.3m for 3Q19 increased by \$2.6m or 96.3% from \$2.7m for 3Q18. Half of the increase was due to the adoption of SFRS(I) 16 and the remaining half was mainly due to higher acquisition funding in Australia partially offset by lower finance costs in Singapore with the repayment of borrowings.

Consequently, Group Profit before Taxation of \$106.5m for 3Q19 was \$7.4m or 6.5% lower compared to \$113.9m for 3Q18.

Taxation for the Group of \$23.1m for 3Q19 was \$1.5m or 6.9% higher compared to \$21.6m for 3Q18 due mainly to higher taxable profits from Australia.

Group Profit after Taxation of \$83.4m for 3Q19 was \$8.9m or 9.6% lower than the \$92.3m for 3Q18.

Group Profit attributable to Shareholders of the Company of \$70.0m for 3Q19 decreased by \$8.5m or 10.8% compared to \$78.5m for 3Q18.

Group Profit attributable to Non-Controlling Interests (NCI) of \$13.4m for 3Q19 decreased by \$0.4m or 2.9% compared to \$13.8m for 3Q18 due mainly to lower profits for businesses with NCI.

Revenue from Overseas for 3Q19 at 42.6% of Group Revenue was slightly higher compared to 41.5% for 3Q18. Operating Profit from Overseas for 3Q19 at 45.3% of Group Operating Profit was higher compared to 40.6% for 3Q18.

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

Revenue from the Group's **Public Transport Services Business** of \$727.1m for 3Q19 was \$31.5m or 4.5% higher than the \$695.6m for 3Q18 due mainly to contributions from new acquisitions in Australia, higher fees earned with higher mileage operated and better performance 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 partially offset by an unfavourable foreign currency translation from the weaker A\$ and £.

Revenue from the Group's **Taxi Business** of \$162.1m for 3Q19 was \$17.2m or 9.6% lower compared to \$179.3m for 3Q18 as intensifying competition resulted in a lower operating fleet.

Revenue from the Group's **Automotive Engineering Services Business** of \$61.0m for 3Q19 was \$7.0m or 10.3% lower than the \$68.0m for 3Q18 due to lower fuel volume sold with a reduced taxi fleet.

Revenue from the Group's **Inspection and Testing Services Business** of \$26.5m for 3Q19 was slightly higher by \$0.4m or 1.5% compared to \$26.1m for 3Q18.

Revenue from the Group's **Driving Centre Business** of \$12.5m for 3Q19 was \$1.1m or 9.6% higher than the \$11.4m for 3Q18.

Revenue from the Group's **Car Rental and Leasing Business** of \$6.9m for 3Q19 was \$0.2m or 3.0% higher than the \$6.7m for 3Q18.

Revenue from the Group's **Bus Station Business** of \$5.5m for 3Q19 decreased by \$0.8m or 12.7% from the \$6.3m for 3Q18.

Statement of Financial Position

The financial position of the Group as at 30 September 2019 remained strong. Total Equity decreased by \$102.7m from \$3,027.1m as at 31 December 2018 to \$2,924.4m as at 30 September 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 for the nine months ended 30 September 2019.

Total Assets increased by \$148.2m to \$5,284.9m as at 30 September 2019 from \$5,136.7m as at 31 December 2018 due to increases in non-current assets by \$153.5m partially offset by the decreases in current assets by \$5.3m. The increase in non-current assets was due to the recognition of Right-Of-Use (ROU) 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 following the payment of dividends and lower other receivables and prepayments partially offset by higher trade receivables, arising mainly from timing differences on contractual payments due from the authorities and higher inventories.

Total Liabilities increased by \$250.9m to \$2,360.5m as at 30 September 2019 from \$2,109.6m as at 31 December 2018 due to increases in non-current liabilities of \$153.3m and increase in current liabilities of \$97.6m. 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 partially offset by decrease in long-

term borrowings. The increase in current liabilities was due mainly to increases in short-term borrowings and recognition of lease liabilities following the adoption of SFRS(I) 16 partially offset by lower deferred grant income and lower trade and other payables.

Cash Flow

The Group recorded a net cash outflow of \$34.7m for 3Q19. As at 30 September 2019, the Group had short-term deposits and bank balances of \$518.5m. After accounting for the borrowings of \$633.8m, the Group had a net debt position of \$115.3m representing a net gearing ratio of 3.9% 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 21.7% as at 30 September 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. The fare adjustment of 7% recently announced by the Public Transport Council will take effect on 28 December 2019.

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 Taxi Business is expected to be lower in view of the reduced operating fleet amidst the continuing keen competition.

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

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 remains committed to pursue growth through acquisitions and investments in the mobility space both locally and overseas while continuing to transform and build new capabilities to strengthen its existing businesses.

17 DIVIDEND

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period for the immediately preceding financial year? No

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

Geographical segmental information for 3rd quarter ended 30 September 2019

	Revenue				Non-current assets*		Additions to non-current assets*	
	3rd Qtr 2019	3rd Qtr 2018	9 mths to 30 Sep 2019	9 mths to 30 Sep 2018	30 Sep 2019	30 Sep 2018	30 Sep 2019	30 Sep 2018
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	561.5	565.9	1,683.9	1,650.7	1,597.6	1,591.8	161.7	97.1
United Kingdom/ Ireland	214.6	229.3	628.8	651.8	575.6	553.4	75.4	81.9
Australia	162.5	130.7	471.3	354.6	1,182.8	981.4	74.1	180.1
China	38.8	40.4	118.7	126.0	315.2	318.2	17.4	38.7
Vietnam	0.9	0.8	2.4	2.6	4.3	5.3	0.9	0.1
Malaysia	0.7	0.8	2.0	2.1	4.1	4.1	0.6	0.8
Total	979.0	967.9	2,907.1	2,787.8	3,679.6	3,454.2	330.1	398.7

* 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 third 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 November 2019