


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Half Year 2020 Financial Statements and Dividend Announcement

The Board of Directors announces the unaudited results of the Group for the Half Year ended 30 June 2020.

1 GROUP INCOME STATEMENT

| | 1st Half 2020 \$'m | 1st Half 2019 \$'m | Fav/ (Adv) % |
|---|--------------------------|--------------------------|--------------------|
| Revenue | 1,526.7 | 1,927.0 | (20.8) |
| Staff costs | (749.0) | (852.7) | 12.2 |
| Depreciation and amortisation | (204.0) | (212.3) | 3.9 |
| Repairs and maintenance costs | (145.4) | (147.2) | 1.2 |
| Fuel and electricity costs | (92.9) | (149.4) | 37.8 |
| Contract services | (62.9) | (82.6) | 23.8 |
| Materials and consumables costs | (44.3) | (62.9) | 29.6 |
| Insurance premiums and accident claims | (43.0) | (50.1) | 14.2 |
| Road tax and licence fees | (41.9) | (44.5) | 5.8 |
| Premises costs | (36.0) | (38.1) | 5.5 |
| Provision for impairment on vehicles and goodwill | (30.8) | - | N.M. |
| Utilities and communication costs | (9.8) | (10.7) | 8.4 |
| Advertising production and promotion costs | (5.7) | (11.2) | 49.1 |
| Other operating costs | (54.4) | (42.9) | (26.8) |
| Total Operating Costs | <u>(1,520.1)</u> | <u>(1,704.6)</u> | 10.8 |
| Operating Profit | 6.6 | 222.4 | (97.0) |
| Net Income from Investments | 5.0 | 5.8 | (13.8) |
| Finance Costs | (8.2) | (10.9) | 24.8 |
| Profit before Taxation | 3.4 | 217.3 | (98.4) |
| Taxation | (1.8) | (43.9) | (95.9) |
| Profit after Taxation | <u>1.6</u> | <u>173.4</u> | (99.1) |
| (Loss)/ Profit Attributable to : | | | |
| Shareholders of the Company | (6.0) | 146.3 | N.M. |
| Non-Controlling Interests | 7.6 | 27.1 | (72.0) |
| | <u>1.6</u> | <u>173.4</u> | (99.1) |
| Operating (Loss)/Profit before COVID-19 Government reliefs | (75.7) | 222.4 | N.M. |
| <i>COVID-19 Government reliefs</i> | <i>82.3</i> | <i>-</i> | <i>N.M.</i> |
| Operating Profit after COVID-19 Government reliefs | <u>6.6</u> | <u>222.4</u> | (97.0) |

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

N.M. : Not meaningful

1 GROUP INCOME STATEMENT (Cont'd)

| | 1st Half 2020 | 1st Half 2019 | Fav/ (Adv) |
|---|------------------|------------------|---------------|
| | <u>\$'m</u> | <u>\$'m</u> | <u>%</u> |
| <i>Operating profit of the Group is arrived after (charging)/crediting the following:</i> | | | |
| <i>Net (loss)/gain on disposal of vehicles, premises and equipment</i> | (5.4) | 1.1 | N.M. |
| <i>Allowance for expected credit losses</i> | (3.3) | (0.5) | N.M. |
| <i>Provision for stock obsolescence</i> | (6.7) | (0.4) | N.M. |

N.M. : Not meaningful

2 STATEMENTS OF FINANCIAL POSITION

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 30 Jun 2020 | 31 Dec 2019 | 30 Jun 2020 | 31 Dec 2019 |
| | \$'m | \$'m | \$'m | \$'m |
| ASSETS | | | | |
| Current assets | | | | |
| Short-term deposits and bank balances | 619.9 | 594.2 | 91.7 | 159.7 |
| Trade receivables | 264.7 | 318.7 | - | - |
| Other receivables and prepayments | 264.8 | 255.5 | 8.2 | 5.6 |
| Due from subsidiaries | - | - | 44.5 | 10.2 |
| Inventories | 143.4 | 150.7 | - | - |
| Total current assets | 1,292.8 | 1,319.1 | 144.4 | 175.5 |
| Non-current assets | | | | |
| Subsidiaries | - | - | 1,230.7 | 1,230.7 |
| Associates | 0.8 | 0.7 | - | - |
| Investments | 17.1 | 24.4 | 7.0 | 12.7 |
| Other receivables and prepayments | 7.8 | 4.0 | 18.3 | 19.7 |
| Grant receivables | 267.3 | 280.3 | - | - |
| Due from subsidiaries | - | - | 337.9 | 331.4 |
| Vehicles, premises and equipment | 2,571.0 | 2,706.1 | 2.9 | 3.2 |
| Right-of-use assets | 165.2 | 173.6 | 4.9 | 5.3 |
| Taxi licences and rights under contract | 207.3 | 204.5 | - | - |
| Goodwill | 648.1 | 644.2 | - | - |
| Deferred tax assets | 30.5 | 22.1 | - | - |
| Total non-current assets | 3,915.1 | 4,059.9 | 1,601.7 | 1,603.0 |
| Total assets | 5,207.9 | 5,379.0 | 1,746.1 | 1,778.5 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Borrowings | 208.2 | 198.8 | 40.0 | - |
| Lease liabilities from financial institutions | 29.2 | 28.2 | - | - |
| Lease liabilities | 28.4 | 27.6 | 4.2 | 4.0 |
| Trade and other payables | 647.8 | 670.3 | 10.4 | 13.9 |
| Deferred grants | 26.7 | 27.6 | - | - |
| Due to subsidiaries and associate | - | - | 98.4 | 154.0 |
| Fuel price equalisation account | 20.0 | 20.0 | - | - |
| Provision for accident claims | 49.3 | 51.6 | - | - |
| Income tax payable | 88.8 | 91.7 | 1.4 | 0.9 |
| Total current liabilities | 1,098.4 | 1,115.8 | 154.4 | 172.8 |
| Non-current liabilities | | | | |
| Borrowings | 337.9 | 331.3 | 337.9 | 331.3 |
| Lease liabilities from financial institutions | 66.5 | 75.9 | - | - |
| Lease liabilities | 167.2 | 176.1 | 28.3 | 30.5 |
| Deferred grants | 363.2 | 364.9 | - | - |
| Other liabilities | 76.2 | 75.9 | 0.1 | 0.1 |
| Fuel price equalisation account | 20.0 | 20.0 | - | - |
| Deferred tax liabilities | 199.2 | 210.1 | 1.3 | 1.3 |
| Total non-current liabilities | 1,230.2 | 1,254.2 | 367.6 | 363.2 |
| Total liabilities | 2,328.6 | 2,370.0 | 522.0 | 536.0 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 693.4 | 692.2 | 693.4 | 692.2 |
| Treasury shares | (0.2) | - | (0.2) | - |
| Other reserves | 57.5 | 64.5 | (43.9) | (38.0) |
| Foreign currency translation reserve | (84.5) | (93.6) | - | - |
| Accumulated profits | 1,811.1 | 1,931.9 | 574.8 | 588.3 |
| Equity attributable to shareholders of the Company | 2,477.3 | 2,595.0 | 1,224.1 | 1,242.5 |
| Non-controlling interests | 402.0 | 414.0 | - | - |
| Total equity | 2,879.3 | 3,009.0 | 1,224.1 | 1,242.5 |
| Total liabilities and equity | 5,207.9 | 5,379.0 | 1,746.1 | 1,778.5 |

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

Secured / Unsecured Group Borrowings and Lease liabilities as at 30 Jun 2020

| | <u>30 Jun 2020</u> | <u>31 Dec 2019</u> |
|---|--------------------|--------------------|
| | \$ 'm | \$ 'm |
| <u>Borrowings</u> | | |
| <u>Secured</u> | | |
| Amount repayable in one year or less, or on demand | 42.3 | 49.8 |
| Amount repayable after one year | - | - |
| | <u>42.3</u> | <u>49.8</u> |
| <u>Unsecured</u> | | |
| Amount repayable in one year or less, or on demand | 165.9 | 149.0 |
| Amount repayable after one year | 337.9 | 331.3 |
| | <u>503.8</u> | <u>480.3</u> |
| Amount repayable in one year or less, or on demand | 208.2 | 198.8 |
| Amount repayable after one year | 337.9 | 331.3 |
| | <u>546.1</u> | <u>530.1</u> |
| <u>Lease liabilities from financial institutions</u> | | |
| <u>Secured</u> | | |
| Amount repayable in one year or less, or on demand | 29.2 | 28.2 |
| Amount repayable after one year | 66.5 | 75.9 |
| | <u>95.7</u> | <u>104.1</u> |
| <u>Lease liabilities*</u> | | |
| <u>Secured</u> | | |
| Amount repayable in one year or less, or on demand | 28.4 | 27.6 |
| Amount repayable after one year | 167.2 | 176.1 |
| | <u>195.6</u> | <u>203.7</u> |

* relates to lease liabilities on adoption of SFRS(I)16 *Leases*

Details of any collateral

Details of the total secured borrowings of \$42.3m, lease liabilities from financial institutions of \$95.7m and lease liabilities of \$195.6m are as follows:

- a \$42.3m relates to borrowings of subsidiaries secured by vehicles;
- b \$95.7m relates to financing of vehicles under hire purchase arrangements; and
- c \$195.6m relates to lease liabilities secured over the right-of-use assets.

4 GROUP CASH FLOW STATEMENT

| | Group | |
|--|------------------|------------------|
| | 1st Half 2020 | 1st Half 2019 |
| | \$'m | \$'m |
| Operating activities: | | |
| Profit before Taxation | 3.4 | 217.3 |
| Adjustments for: | | |
| Depreciation and amortisation | 204.0 | 212.3 |
| Finance costs | 8.2 | 10.9 |
| Interest income | (4.5) | (5.7) |
| Dividend income | (0.4) | (0.4) |
| Provision for impairment on vehicles and goodwill | 30.8 | - |
| Grant income | (23.5) | (16.8) |
| Net loss/(gain) on disposal of vehicles, premises and equipment | 5.4 | (1.1) |
| Provision for accident claims | 7.3 | 11.0 |
| Provision for stock obsolescence | 6.7 | 0.4 |
| Others | 4.4 | 2.0 |
| Operating cash flows before movements in working capital | 241.8 | 429.9 |
| Changes in working capital | (1.3) | (138.6) |
| Cash generated from operations | 240.5 | 291.3 |
| Income tax paid | (23.6) | (45.9) |
| Interest paid arising from leases | (2.5) | (2.7) |
| Net cash from operating activities | 214.4 | 242.7 |
| Investing activities: | | |
| Purchases of vehicles, premises and equipment | (93.3) | (204.5) |
| Less: Vehicles purchased under lease liabilities from financial institutions | 4.8 | 4.3 |
| Less: Proceeds from disposal of vehicles, premises and equipment | 33.0 | 44.7 |
| Cash payments on purchase of vehicles, premises and equipment | (55.5) | (155.5) |
| Investments made | - | (3.1) |
| Acquisition of subsidiaries, net of cash [Note (a)] | (12.2) | (32.4) |
| Interest received | 5.9 | 6.0 |
| Dividend received from investments | 0.4 | 0.4 |
| Net cash used in investing activities | (61.4) | (184.6) |
| Financing activities: | | |
| New loans raised | 458.2 | 665.9 |
| Repayment of borrowings and lease liabilities from financial institutions | (462.2) | (596.4) |
| Repayment of lease liabilities | (15.4) | (13.0) |
| Dividends paid to shareholders of the Company | (114.6) | (133.2) |
| Dividends paid to non-controlling shareholders of subsidiaries | (22.8) | (28.4) |
| Purchase of treasury shares | (0.4) | - |
| Proceeds from exercise of share options of the Company | 1.1 | 1.0 |
| Proceeds from exercise of share options of a subsidiary | - | 0.3 |
| Grants received | 30.2 | 22.4 |
| Interest paid | (6.3) | (7.0) |
| Net cash used in financing activities | (132.2) | (88.4) |
| Net effect of exchange rate changes in consolidating subsidiaries | 4.9 | (2.6) |
| Net increase/(decrease) in cash and cash equivalents | 25.7 | (32.9) |
| Cash and cash equivalents at beginning of period | 594.2 | 586.1 |
| Cash and cash equivalents at end of period | 619.9 | 553.2 |

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

| | Group | |
|--|------------------|------------------|
| | 1st Half 2020 | 1st Half 2019 |
| | \$'m | \$'m |
| Net (assets) liabilities acquired: | | |
| Current assets | (2.0) | (18.2) |
| Non-current assets | (0.3) | (117.8) |
| Current liabilities | 0.9 | 6.8 |
| Non-current liabilities | - | 92.5 |
| Net assets acquired | (1.4) | (36.7) |
| Provisional goodwill | (12.0) | - |
| Adjustment to prior year's provisional goodwill | - | (1.7) |
| Total purchase consideration | (13.4) | (38.4) |
| Less: Cash and cash equivalent balances acquired | 1.2 | 6.0 |
| Net cash outflow on acquisition of subsidiaries | (12.2) | (32.4) |

5 GROUP COMPREHENSIVE INCOME STATEMENT

| | Group | |
|---|--------------------------|--------------------------|
| | 1st Half 2020 \$'m | 1st Half 2019 \$'m |
| Profit after Taxation | 1.6 | 173.4 |
| <i>Items that may be reclassified subsequently to profit and loss</i> | | |
| Fair value adjustment on cash flow hedges | - | 3.2 |
| Exchange differences on translation of foreign operations | 12.3 | (16.7) |
| | <u>12.3</u> | <u>(13.5)</u> |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Fair value adjustment on equity investments | (6.8) | (4.7) |
| Other comprehensive income for the period | <u>5.5</u> | <u>(18.2)</u> |
| Total comprehensive income for the period | <u><u>7.1</u></u> | <u><u>155.2</u></u> |
| Attributable to: | | |
| Shareholders of the Company | (3.7) | 128.6 |
| Non-Controlling Interests | 10.8 | 26.6 |
| | <u>7.1</u> | <u>155.2</u> |

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the half year ended 30 June 2020:

| | Group | | | | | | | Total equity |
|---|---|--------------------|-------------------|---|------------------------|----------------------------------|--------|-----------------|
| | Attributable to shareholders of the Company | | | | | Non- controlling interests | Total | |
| | Share capital | Tresuary shares | Other reserves | Foreign currency translation reserve | Accumulated profits | | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | |
| Balance at 1 January 2020 | 692.2 | - | 64.5 | (93.6) | 1,931.9 | 2,595.0 | 414.0 | 3,009.0 |
| Total comprehensive income for the period | | | | | | | | |
| Loss/(Profit) for the period | - | - | - | - | (6.0) | (6.0) | 7.6 | 1.6 |
| Other comprehensive income for the period | - | - | (6.8) | 9.1 | - | 2.3 | 3.2 | 5.5 |
| Total | - | - | (6.8) | 9.1 | (6.0) | (3.7) | 10.8 | 7.1 |
| Transactions recognised directly in equity | | | | | | | | |
| Exercise of share options | 1.2 | - | (0.1) | - | - | 1.1 | - | 1.1 |
| Payment of dividends | - | - | - | - | (114.6) | (114.6) | - | (114.6) |
| Purchase of treasury shares | - | (0.4) | - | - | - | (0.4) | - | (0.4) |
| Transfer from treasury shares to share-based payments | - | 0.2 | (0.2) | - | - | - | - | - |
| Other reserves | - | - | 0.1 | - | (0.2) | (0.1) | (22.8) | (22.9) |
| Total | 1.2 | (0.2) | (0.2) | - | (114.8) | (114.0) | (22.8) | (136.8) |
| Balance at 30 June 2020 | 693.4 | (0.2) | 57.5 | (84.5) | 1,811.1 | 2,477.3 | 402.0 | 2,879.3 |

Consolidated Statement of Changes in Equity for the half year ended 30 June 2019:

| | Group | | | | | | | Total equity |
|---|---|-------------------|---|------------------------|---------|----------------------------------|---------|-----------------|
| | Attributable to shareholders of the Company | | | | | Non- controlling interests | Total | |
| | Share capital | Other reserves | Foreign currency translation reserve | Accumulated profits | Total | | | |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | |
| 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 | |

Statement of Changes in Equity of the Company for the half year ended 30 June 2020:

| | Company | | | | |
|---|----------------------|------------------------|-----------------------|----------------------------|---------------------|
| | Share capital | Treasury shares | Other reserves | Accumulated profits | Total equity |
| | \$'m | \$'m | \$'m | \$'m | \$'m |
| Balance at 1 January 2020 | 692.2 | - | (38.0) | 588.3 | 1,242.5 |
| Total comprehensive income for the period | | | | | |
| Profit for the period | - | - | - | 101.1 | 101.1 |
| Other comprehensive income for the period | - | - | (5.7) | - | (5.7) |
| Total | - | - | (5.7) | 101.1 | 95.4 |
| Transactions recognised directly in equity | | | | | |
| Exercise of share options | 1.2 | - | (0.1) | - | 1.1 |
| Purchase of treasury shares | - | (0.4) | - | - | (0.4) |
| Transfer from treasury shares to share-based payments | - | 0.2 | (0.2) | - | - |
| Payment of dividends | - | - | - | (114.6) | (114.6) |
| Other reserves | - | - | 0.1 | - | 0.1 |
| Total | 1.2 | (0.2) | (0.2) | (114.6) | (113.8) |
| Balance at 30 June 2020 | 693.4 | (0.2) | (43.9) | 574.8 | 1,224.1 |

Statement of Changes in Equity of the Company for the half year ended 30 June 2019:

| | Company | | | |
|---|----------------------|-----------------------|----------------------------|---------------------|
| | Share capital | Other reserves | Accumulated profits | Total equity |
| | \$'m | \$'m | \$'m | \$'m |
| 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 | | | | |
| Recognition of share-based payments | - | - | - | - |
| Adjustments arising from deregistration of subsidiaries | - | - | - | - |
| 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 |

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the half year ended 30 June 2020, the Company issued 710,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (CDG ESOS).

As at 30 June 2020, the total number of issued shares excluding treasury shares was 2,166,734,913 (31 December 2019: 2,166,158,663).

Treasury shares

During the half year ended 30 June 2020, the Company bought 255,000 ordinary shares from the market for the purpose of the ComfortDelGro Executive Share Award Scheme (CDG ESAS). 121,250 shares were subsequently transferred to employees.

As at 30 June 2020, the total number of treasury shares was 133,750 or 0.0062% of issued share capital excluding treasury shares (30 June 2019 : Nil)

Outstanding shares - ComfortDelGro Employees' Share Option Scheme (CDG ESOS)

As at 30 June 2020, options to subscribe for 2,183,000 ordinary shares (30 June 2019: 3,043,000 ordinary shares) remained outstanding under the CDG ESOS which was not renewed following its expiry on 17 February 2013.

Outstanding shares - ComfortDelGro Executive Share Award Scheme (CDG ESAS)

As at 30 June 2020, share award of 933,750 ordinary shares (30 June 2019: 510,000) remained outstanding under the CDG ESAS. 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

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 2019.

In the current financial period, the Group has adopted all the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)s") that are relevant to its operations and effective for annual periods beginning on 1 January 2020.

The adoption of these new and revised SFRS(I)s 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)

(Loss)/Earnings per ordinary share

| | Group | |
|--|--------------------------|--------------------------|
| | <u>1st Half 2020</u> | <u>1st Half 2019</u> |
| (i) Based on weighted average number of ordinary shares in issue (excluding treasury shares) - cents | (0.28) | 6.76 |
| (ii) On a fully diluted basis (detailing any adjustments made to the earnings and excluding treasury shares) - cents | (0.28) | 6.75 |

| | Group | |
|------------------------|--------------------------|--------------------------|
| | <u>1st Half 2020</u> | <u>1st Half 2019</u> |
| (i) EBITDA (\$'m) * | 246.8 | 433.6 |
| (ii) EBITDA margin (%) | 16.2 | 22.5 |

* Group operating profit before depreciation and amortisation, net loss/ (gain) on disposal of vehicles, premises and equipment and provision for impairment on vehicles and goodwill.

13 NET ASSET VALUE PER ORDINARY SHARE

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | <u>30 Jun 2020</u> | <u>31 Dec 2019</u> | <u>30 Jun 2020</u> | <u>31 Dec 2019</u> |
| Net asset value per ordinary share based on issued share capital (excluding treasury shares) - cents | 114.33 | 119.80 | 56.49 | 57.36 |

14 REVIEW OF GROUP PERFORMANCE

Performance Review

The release of our half year results comes amid a global pandemic, the likes of which few of us have ever seen. The impact on the Group, and the world in general, has been significant. As countries started going into lockdown, from as early as January in China, governments have been rolling out assistance packages.

In Singapore, for example, the Government has, to-date, announced four budgets (Unity Budget, Resilience Budget, Solidarity Budget and Fortitude Budget) totalling some \$100 billion. Wage and income supplements, as well as corporate assistance, have been key features of these Budgets.

ComfortDelGro's operations around the world – Singapore, Australia, the United Kingdom, China, Ireland, Vietnam and Malaysia – have been hard-hit by the ongoing pandemic. The greatest impact on the Group thus far has been in the area of public transport ridership and taxi demand as countries go into lockdown in a bid to stem the spread of COVID-19. Social distancing measures like travel restrictions and working-from-home have all resulted in a massive plunge in taxi and public transport demand.

The Group also faced additional challenges relating to supply chain and labour supply as countries restricted cross-border movements, coupled with increased costs from additional cleaning and disinfecting measures as well as PPE to protect our front line staff and our passengers.

Group Revenue of \$1,526.7m for 1H20 was \$400.3m or 20.8% lower compared to \$1,927.0m for 1H19 with the decrease of \$388.1m coming from underlying businesses and unfavourable foreign currency translation of \$12.2m from the weaker A\$. The decrease in revenue from underlying businesses was mainly attributed to the impact of COVID-19 pandemic resulting in lower rail ridership and mileages for the Public Transport Services Business, extension of rental relief/waiver schemes to taxi drivers, smaller taxi fleet for the Automotive Engineering Services Business and full/partial closure of operations of other business segments during the lockdown period.

Group Operating Costs of \$1,520.1m for 1H20 were \$184.5m or 10.8% lower compared to \$1,704.6m for 1H19 with the decrease of \$173.1m coming from the underlying businesses and the favourable foreign currency translation of \$11.4m from the weaker A\$. Lower Group Operating Costs of \$184.5m were mainly contributed by lower staff costs arising from Government reliefs in Singapore, UK, Australia and China to help companies to negate the adverse effects of COVID-19 pandemic, lower fuel and electricity costs, reduced payment for contract services as well as lower materials and consumables costs in line with the decrease in business volumes during COVID-19 lockdowns, offset by provision for impairment on vehicles and goodwill of \$30.8m and an increase in other operating costs due mainly to higher loss on disposal of vehicles.

Although impairment reviews are typically performed at year-end, Management has reviewed the carrying value of assets and goodwill for any indication of impairment as at 1H2020 in light of the current circumstances. Management has assessed the value of assets and goodwill as at 30 June 2020 against their book carrying value based on various metrics, including utilisation, market values and cashflows. Management has concluded that provision for impairment is adequate and reasonable as at 30 June 2020 and will next be reviewed at year-end.

Group Operating Profit of \$6.6m for 1H20 was \$215.8m or 97.0% lower compared to \$222.4m for 1H19 with \$215.0m from underlying businesses and net negative impact from the foreign currency translation of \$0.8m.

Net Income from Investments of \$5.0m for 1H20, which was mostly related to interest income on short-term deposits and bank balances, decreased by \$0.8m or 13.8% compared to \$5.8m for 1H19 mainly due to lower deposit rates. Finance Costs of \$8.2m for 1H20 decreased by \$2.7m or 24.8% from \$10.9m for 1H19 mainly due to the lower interest expense in Australia and the UK from the repayment of borrowings and lower interest rates.

Consequently, Group Profit before Taxation of \$3.4m for 1H20 was \$213.9m or 98.4% lower compared to \$217.3m for 1H19.

Taxation for the Group of \$1.8m for 1H20 was \$42.1m or 95.9% lower compared to \$43.9m for 1H19 mainly due to lower taxable profits after tax-exempt Government reliefs.

Group Profit after Taxation of \$1.6m for 1H20 was \$171.8m or 99.1% lower than the \$173.4m for 1H19.

Group Loss attributable to Shareholders of the Company of \$6.0m for 1H20 compared to Group Profit attributable to Shareholders of the Company \$146.3m for 1H19.

Group Profit attributable to Non-Controlling Interests (NCI) of \$7.6m for 1H20 decreased by \$19.5m or 72.0% compared to \$27.1m for 1H19 due to lower profits from subsidiaries with non-controlling interests.

Revenue from Overseas for 1H20 at \$677.0m or 44.3% of Group Revenue compared to \$805.1m or 41.8% for 1H19. Operating Loss from Overseas for 1H20 at \$8.0m compared to Operating Profit from Overseas at \$77.6m a year ago.

Group loss attributable to Shareholders in 1H20 was largely mitigated by COVID-19 Government reliefs (recorded as a reduction in staff costs, net of tax effect and NCI) of \$60.1m. Without the Government reliefs, the Group would have recorded a loss attributable to Shareholders of \$66.1m for 1H20.

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

Revenue from the Group's **Public Transport Services Business** of \$1,227.3m for 1H20 was \$181.2m or 12.9% lower than the \$1,408.5m for 1H19 due mainly to lower rail ridership in Singapore during Circuit Breaker (CB) period partially offset by higher average fare arising from the fare increase effective 28 December 2019, lower service fees from lower fuel indexation and operated mileage in Singapore and lower mileage operated in the UK from fewer routes compared to 1H19.

Revenue from the Group's **Taxi Business** of \$178.6m for 1H20 was \$159.6m or 47.2% lower compared to \$338.2m for 1H19 due to a smaller operating fleet and various COVID-19 relief schemes extended to drivers including full rental waiver during CB period in Singapore and reduced taxi rental in China in response to COVID-19 lockdowns.

Revenue from the Group's **Automotive Engineering Services Business** of \$82.1m for 1H20 was \$46.2m or 36.0% lower than the \$128.3m for 1H19 due mainly to smaller Singapore taxi fleet and lower volumes from partial suspension of operations during CB period.

Revenue from the Group's **Inspection and Testing Services Business** of \$39.9m for 1H20 was \$11.3m or 22.1% lower than the \$51.2m for 1H19 due to lower business volumes during the CB period.

Revenue from the Group's **Driving Centre Business** of \$15.5m for 1H20 was \$8.0m or 34.0% lower than the \$23.5m for 1H19 due to full closure of operations during CB period.

Revenue from the Group's **Car Rental and Leasing Business** of \$13.9m for 1H20 was \$0.6m or 4.5% higher than the \$13.3m for 1H19 due to larger fleet size, albeit at lower rental rates.

Revenue from the Group's **Bus Station Business** of \$6.8m for 1H20 decreased by \$4.9m or 41.9% from the \$11.7m for 1H19 due to lower activity levels from travel restrictions in lockdown conditions

Statement of Financial Position

The financial position of the Group as at 30 June 2020 remained strong. Total Equity decreased by \$129.7m from \$3,009.0m as at 31 December 2019 to \$2,879.3m as at 30 June 2020 due mainly to payment of final dividend for 2019.

Total Assets decreased by \$171.1m to \$5,207.9m as at 30 June 2020 from \$5,379.0m as at 31 December 2019 due to decreases in non-current assets by \$144.8m and current assets by \$26.3m. The decrease in non-current assets was mainly due to depreciation of vehicles, premises and equipment and reduced capital expenditure. The decrease in current assets was due mainly to lower trade receivables partially offset by higher short-term deposits and bank balances.

Total Liabilities decreased by \$41.4m to \$2,328.6m as at 30 June 2020 from \$2,370.0m as at 31 December 2019 due mainly to lower trade and other payables from reduction in operating costs and lower tax liabilities.

Cash Flow

The Group recorded a net cash inflow of \$25.7m for 1H20. As at 30 June 2020, the Group had short-term deposits and bank balances of \$619.9m. After accounting for the borrowings of \$546.1m and lease liabilities from financial institutions of \$95.7m, the Group had a net debt position of \$21.9m representing a net gearing ratio of 0.8% compared to 1.3% as at 31 December 2019. The Group's gross gearing ratio (excluding lease liabilities recognised under SFRS(I) 16) was 22.3% as at 30 June 2020 compared to 21.1% as at 31 December 2019.

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

No forecast or prospect statement has been previously disclosed.

The financial results of the Group for 1H20 is in line with the profit guidance released via SGXNet on 26 June 2020.

16 GROUP OUTLOOK

The full economic impact of COVID-19 is still unfolding, the scale and duration of which remains uncertain. Activity levels are recovering slowly during the gradual and cautious reopening post Circuit Breaker period in Singapore and lockdown in UK.

However, the resurgence of COVID-19 cases, as experienced in some cities in China and Australia recently, that resulted in reinstatement of lockdown measures is likely to recur until a vaccine is available.

Governments have provided significant temporary relief for the near-term but the sustainability of such reliefs is uncertain.

The future Global economy post-COVID-19 will be different arising from socio-economic factors such as work from home arrangements and changes to supply chain management, while governments and financial markets focus on rebuilding and recovering from the pandemic.

With the challenging outlook, revenues are expected to remain depressed and margins under pressure. The Group is monitoring the situation and adapting to the changing circumstances by ensuring its service levels are maintained while refining its internal cost structures and operational efficiencies, while at the same time ensuring the safety of our front line staff and our passengers.

Notwithstanding the current uncertainties, with a strong balance sheet the Group remains committed to its long term mobility strategy and continues to transform and build its capabilities while looking for growth opportunities in overseas markets.

17 DIVIDEND

(a) Current Financial Period Reported On

No interim dividend for FY2020 is recommended due to net loss in 1H20 and ongoing COVID-19 uncertainty.

(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 | 4.50 cents |
| Tax Rate | Exempt one-tier |

18 SEGMENT INFORMATION

Business Segments

| Half year ended 30 June 2020 | <u>Public Transport Services</u> \$'m | <u>Taxi</u> \$'m | <u>Automotive Engineering Services</u> \$'m | <u>Inspection & Testing Services</u> \$'m | <u>Driving Centre</u> \$'m | <u>Car Rental & Leasing</u> \$'m | <u>Bus Station</u> \$'m | <u>Elimination</u> \$'m | <u>Total</u> \$'m |
|--|--|---------------------|--|--|-----------------------------------|---|--------------------------------|----------------------------|----------------------|
| Revenue | | | | | | | | | |
| External sales | 1,226.9 | 178.6 | 46.3 | 38.7 | 15.5 | 13.9 | 6.8 | - | 1,526.7 |
| Inter-segment sales | 0.4 | - | 35.8 | 1.2 | - | - | - | (37.4) | - |
| TOTAL | 1,227.3 | 178.6 | 82.1 | 39.9 | 15.5 | 13.9 | 6.8 | (37.4) | 1,526.7 |
| RESULT | | | | | | | | | |
| Operating Profit/(Loss) | 56.3 | (68.4) | 7.7 | 9.4 | (1.2) | 0.8 | 2.0 | - | 6.6 |
| Net Income from Investments | | | | | | | | | 5.0 |
| Finance Costs | | | | | | | | | (8.2) |
| Profit before Taxation | | | | | | | | | 3.4 |
| Taxation | | | | | | | | | (1.8) |
| Profit after Taxation | | | | | | | | | 1.6 |
| Non-Controlling Interests | | | | | | | | | (7.6) |
| Loss attributable to Shareholders of the Company | | | | | | | | | (6.0) |
| Half year ended 30 June 2019 | <u>Public Transport Services</u> \$'m | <u>Taxi</u> \$'m | <u>Automotive Engineering Services</u> \$'m | <u>Inspection & Testing Services</u> \$'m | <u>Driving Centre</u> \$'m | <u>Car Rental & Leasing</u> \$'m | <u>Bus Station</u> \$'m | <u>Elimination</u> \$'m | <u>Total</u> \$'m |
| Revenue | | | | | | | | | |
| External sales | 1,407.9 | 338.2 | 82.8 | 49.7 | 23.4 | 13.3 | 11.7 | - | 1,927.0 |
| Inter-segment sales | 0.6 | - | 45.5 | 1.5 | 0.1 | - | - | (47.7) | - |
| TOTAL | 1,408.5 | 338.2 | 128.3 | 51.2 | 23.5 | 13.3 | 11.7 | (47.7) | 1,927.0 |
| RESULT | | | | | | | | | |
| Operating Profit | 117.9 | 57.9 | 15.7 | 16.7 | 6.6 | 2.0 | 5.6 | - | 222.4 |
| Net Income from Investments | | | | | | | | | 5.8 |
| Finance Costs | | | | | | | | | (10.9) |
| Profit before Taxation | | | | | | | | | 217.3 |
| Taxation | | | | | | | | | (43.9) |
| Profit after Taxation | | | | | | | | | 173.4 |
| Non-Controlling Interests | | | | | | | | | (27.1) |
| Profit attributable to Shareholders of the Company | | | | | | | | | 146.3 |

Geographical segmental information for the half year ended 30 June 2020

| | Revenue | | Non-current assets* | | Additions to non-current assets* | |
|-------------------------|----------------|----------------|---------------------|----------------|----------------------------------|--------------|
| | 1st Half 2020 | 1st Half 2019 | 30 June 2020 | 30 June 2019 | 30 June 2020 | 30 June 2019 |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| Singapore | 849.7 | 1,121.9 | 1,481.6 | 1,633.6 | 54.0 | 101.0 |
| United Kingdom/ Ireland | 341.6 | 414.1 | 595.8 | 572.4 | 22.6 | 48.9 |
| Australia | 286.4 | 308.8 | 1,211.7 | 1,191.5 | 23.4 | 46.2 |
| China | 47.3 | 79.7 | 295.4 | 321.0 | 5.2 | 9.4 |
| Vietnam | 0.7 | 1.3 | 3.2 | 4.1 | - | 0.3 |
| Malaysia | 1.0 | 1.2 | 3.9 | 4.0 | 0.1 | 0.4 |
| Total | 1,526.7 | 1,927.0 | 3,591.6 | 3,726.6 | 105.3 | 206.2 |

* 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 half year 2020 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
Company Secretary

14 August 2020