


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

Financial Statements and Dividend Announcement for the year ended 31 December 2016

The Board of Directors announces the audited results of the Group for the year ended 31 December 2016.

1 GROUP INCOME STATEMENT

	Group		Incr / (Decr) %
	FY2016 \$'m	FY2015 \$'m	
Revenue	4,059.5	4,111.5	(1.3)
Staff costs	1,458.0	1,403.5	3.9
Contract services	560.9	566.0	(0.9)
Depreciation and amortisation	396.0	389.3	1.7
Repairs and maintenance costs	258.6	249.3	3.7
Fuel and electricity costs	231.7	301.7	(23.2)
Materials and consumables costs	154.0	210.9	(27.0)
Road tax	138.5	137.0	1.1
Insurance premiums and accident claims	125.8	125.1	0.6
Premises costs	91.4	86.6	5.5
Taxi drivers' benefits	55.6	59.6	(6.7)
Advertising production and promotion costs	21.7	20.1	8.0
Utilities and communication costs	19.7	21.1	(6.6)
Vehicle leasing charges	19.2	20.6	(6.8)
Other operating costs	66.2	70.0	(5.4)
Total Operating Costs	<u>3,597.3</u>	<u>3,660.8</u>	(1.7)
Operating Profit	462.2	450.7	2.6
Net Income from Investments	13.9	15.0	(7.3)
Finance Costs	(14.4)	(18.4)	(21.7)
Share of Profit in Associate	4.9	4.9	-
Profit before Taxation	466.6	452.2	3.2
Taxation	(88.2)	(88.4)	(0.2)
Profit after Taxation	<u>378.4</u>	<u>363.8</u>	4.0
Attributable to :			
Shareholders of the Company	317.1	301.9	5.0
Non-Controlling Interests	61.3	61.9	(1.0)
	<u>378.4</u>	<u>363.8</u>	4.0

2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	\$'m	\$'m	\$'m	\$'m
ASSETS				
Current assets				
Short-term deposits and bank balances	779.3	787.8	309.6	329.6
Trade receivables	237.4	192.9	-	-
Other receivables and prepayments	152.7	223.9	2.5	1.8
Due from subsidiaries	-	-	2.9	3.7
Inventories	81.7	75.1	-	-
Total current assets	1,251.1	1,279.7	315.0	335.1
Non-current assets				
Subsidiaries	-	-	1,121.5	1,121.5
Associates	11.2	10.2	0.3	0.1
Investments	62.9	51.6	41.7	33.0
Other receivables and prepayments	3.0	22.4	0.1	0.1
Grant receivables	237.6	245.3	-	-
Due from subsidiaries	-	-	19.8	19.5
Vehicles, premises and equipment	2,887.4	2,909.0	8.0	9.5
Taxi licences	217.7	230.5	-	-
Goodwill	427.5	442.6	-	-
Deferred tax assets	23.6	25.0	-	-
Total non-current assets	3,870.9	3,936.6	1,191.4	1,183.7
Total assets	5,122.0	5,216.3	1,506.4	1,518.8
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	169.3	126.4	-	-
Trade and other payables	771.4	833.4	49.9	50.4
Deferred grants	17.9	17.3	-	-
Due to subsidiaries and associate	14.3	10.9	422.2	426.8
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	70.2	79.8	-	-
Income tax payable	48.5	49.1	2.6	2.2
Total current liabilities	1,111.6	1,136.9	474.7	479.4
Non-current liabilities				
Borrowings	175.8	432.2	-	-
Deferred grants	279.6	279.2	-	-
Other liabilities	90.7	109.5	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	252.2	225.9	2.3	2.8
Total non-current liabilities	818.3	1,066.8	2.4	2.9
Total liabilities	1,929.9	2,203.7	477.1	482.3
Capital, reserves and non-controlling interests				
Share capital	676.9	665.5	676.9	665.5
Other reserves	23.4	(64.2)	(13.3)	(21.0)
Foreign currency translation reserve	(125.5)	(53.7)	-	-
Accumulated profits	1,900.7	1,787.5	365.7	392.0
Equity attributable to shareholders of the Company	2,475.5	2,335.1	1,029.3	1,036.5
Non-controlling interests	716.6	677.5	-	-
Total equity	3,192.1	3,012.6	1,029.3	1,036.5
Total liabilities and equity	5,122.0	5,216.3	1,506.4	1,518.8

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

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

	<u>31 Dec 2016</u>	<u>31 Dec 2015</u>
	\$ 'm	\$ 'm
Secured		
Amount repayable in one year or less, or on demand	19.0	37.9
Amount repayable after one year	89.8	162.2
	<u>108.8</u>	<u>200.1</u>
Unsecured		
Amount repayable in one year or less, or on demand	150.3	88.5
Amount repayable after one year	86.0	270.0
	<u>236.3</u>	<u>358.5</u>
Total		
Amount repayable in one year or less, or on demand	169.3	126.4
Amount repayable after one year	175.8	432.2
	<u>345.1</u>	<u>558.6</u>

Details of any collateral

Details of the total secured borrowings of \$108.8m are as follows:

- a \$59.7m relates to financing of vehicles under hire purchase arrangements; and
- b \$49.1m relates to borrowings of subsidiaries secured by vehicles.

4 GROUP CASH FLOW STATEMENT

	Group	
	Full Year 2016	Full Year 2015
	\$'m	\$'m
Operating activities:		
Profit before Taxation	466.6	452.2
Adjustments for:		
Depreciation and amortisation	396.0	389.3
Finance costs	14.4	18.4
Interest income	(11.6)	(12.2)
Dividend income	(2.5)	(2.6)
Grant income	(104.4)	(130.8)
Net gain on disposal of vehicles	(2.3)	(6.2)
Share of profit in associate	(4.9)	(4.9)
Others	6.1	2.2
Operating cash flows before movements in working capital	757.4	705.4
Changes in working capital	8.5	(23.4)
Cash generated from operations	765.9	682.0
Income tax paid	(63.4)	(81.8)
Net cash from operating activities	702.5	600.2
Investing activities:		
Purchases of vehicles, premises and equipment	(466.5)	(669.6)
Less: Vehicles purchased under finance lease arrangements	-	19.1
Less: Proceeds from disposal of vehicles	78.2	262.8
Cash payments on purchase of vehicles, premises and equipment	(388.3)	(387.7)
Payment for taxi licences	(0.5)	(1.5)
Investment made	(0.3)	-
Divestment of a subsidiary, net of cash [Note (a)]	-	0.2
Return of capital from an associate	0.6	-
Interest received	11.3	11.5
Dividend received from an associate	3.4	2.9
Dividend received from investments	2.5	2.6
Net cash used in investing activities	(371.3)	(372.0)
Financing activities:		
New loans raised	437.5	472.5
Repayment of borrowings	(646.9)	(662.1)
Capital contribution from non-controlling shareholder of a subsidiary	0.5	-
Dividends paid to shareholders of the Company	(199.4)	(182.5)
Dividends paid to non-controlling shareholders of subsidiaries	(30.6)	(31.8)
Proceeds from exercise of share options of the Company	10.3	17.5
Proceeds from exercise of share options of subsidiaries	2.4	0.2
Grants received	120.2	135.2
Interest paid	(14.9)	(18.2)
Proceeds from unclaimed dividends	0.1	0.2
Net cash used in financing activities	(320.8)	(269.0)
Net effect of exchange rate changes in consolidating subsidiaries	(18.9)	2.8
Net decrease in cash and cash equivalents	(8.5)	(38.0)
Cash and cash equivalents at beginning of year	787.8	825.8
Cash and cash equivalents at end of year	779.3	787.8

Note (a):**Summary of the effects of divestment of a subsidiary:**

	Group	
	Full Year	Full Year
	2016	2015
	\$'m	\$'m
Net assets (liabilities) on divestment:		
Current assets	-	0.7
Non-current assets	-	0.5
Current liabilities	-	(0.1)
Net assets divested / Proceeds from divestment	-	1.1
Non-controlling interests	-	(0.2)
Less : Cash adjustment upon deconsolidation of a subsidiary	-	(0.7)
Cash flow from divestment, net of cash	-	0.2

5 GROUP COMPREHENSIVE INCOME STATEMENT

	Group	
	Full Year 2016	Full Year 2015
	\$'m	\$'m
Profit after Taxation	378.4	363.8
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	47.1	33.8
Fair value adjustment on bonds	(0.1)	(0.2)
Exchange differences on translation of foreign operations	(79.2)	(10.0)
	<u>(32.2)</u>	<u>23.6</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial adjustment on defined benefit plans	0.9	3.3
Fair value adjustment on equity investments	10.5	(19.8)
Revaluation of premises ^(Note A)	40.2	-
	<u>51.6</u>	<u>(16.5)</u>
Other comprehensive income for the year	<u>19.4</u>	<u>7.1</u>
Total comprehensive income for the year	<u><u>397.8</u></u>	<u><u>370.9</u></u>
Attributable to:		
Shareholders of the Company	329.8	310.7
Non-Controlling Interests	68.0	60.2
	<u><u>397.8</u></u>	<u><u>370.9</u></u>

Note A

This arose due to revaluation of a leasehold property of a subsidiary.

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2016:

	Group						
	Attributable to shareholders of the Company				Non-	Total	
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	controlling interests	equity	
\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m	
Balance at 1 January 2015	646.4	(77.4)	(50.4)	1,671.3	2,189.9	648.9	2,838.8
Total comprehensive income for the year							
Profit for the year	-	-	-	301.9	301.9	61.9	363.8
Other comprehensive income for the year	-	12.1	(3.3)	-	8.8	(1.7)	7.1
Total	-	12.1	(3.3)	301.9	310.7	60.2	370.9
Transactions recognised directly in equity							
Exercise of share options	19.1	(1.6)	-	-	17.5	-	17.5
Payment of dividends	-	-	-	(182.5)	(182.5)	-	(182.5)
Other reserves	-	2.7	-	(3.2)	(0.5)	(31.6)	(32.1)
Total	19.1	1.1	-	(185.7)	(165.5)	(31.6)	(197.1)
Balance at 31 December 2015	665.5	(64.2)	(53.7)	1,787.5	2,335.1	677.5	3,012.6
Total comprehensive income for the year							
Profit for the year	-	-	-	317.1	317.1	61.3	378.4
Other comprehensive income for the year	-	84.5	(71.8)	-	12.7	6.7	19.4
Total	-	84.5	(71.8)	317.1	329.8	68.0	397.8
Transactions recognised directly in equity							
Exercise of share options	11.4	(1.1)	-	-	10.3	-	10.3
Payment of dividends	-	-	-	(199.4)	(199.4)	-	(199.4)
Other reserves	-	4.2	-	(4.5)	(0.3)	(28.9)	(29.2)
Total	11.4	3.1	-	(203.9)	(189.4)	(28.9)	(218.3)
Balance at 31 December 2016	676.9	23.4	(125.5)	1,900.7	2,475.5	716.6	3,192.1

Statement of Changes in Equity of the Company for the year ended 31 December 2016:

	Company			
	Share capital	Other reserves	Accumulated profits	Total equity
	\$'m	\$'m	\$'m	\$'m
Balance at 1 January 2015	646.4	(2.5)	402.6	1,046.5
Total comprehensive income for the year				
Profit for the year	-	-	171.7	171.7
Other comprehensive income for the year	-	(16.9)	-	(16.9)
Total	-	(16.9)	171.7	154.8
Transactions recognised directly in equity				
Exercise of share options	19.1	(1.6)	-	17.5
Payment of dividends	-	-	(182.5)	(182.5)
Other reserves	-	-	0.2	0.2
Total	19.1	(1.6)	(182.3)	(164.8)
Balance at 31 December 2015	665.5	(21.0)	392.0	1,036.5
Total comprehensive income for the year				
Profit for the year	-	-	173.0	173.0
Other comprehensive income for the year	-	8.8	-	8.8
Total	-	8.8	173.0	181.8
Transactions recognised directly in equity				
Exercise of share options	11.4	(1.1)	-	10.3
Payment of dividends	-	-	(199.4)	(199.4)
Other reserves	-	-	0.1	0.1
Total	11.4	(1.1)	(199.3)	(189.0)
Balance at 31 December 2016	676.9	(13.3)	365.7	1,029.3

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the financial year, the Company issued 6,587,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 31 December 2016, the total number of issued shares was 2,156,851,663 (31 December 2015: 2,150,264,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 31 December 2016, options to subscribe for 13,040,000 ordinary shares (31 December 2015: 19,627,000 ordinary shares) remained outstanding under the ComfortDelGro Scheme.

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

As at 31 December 2016, the Company does not hold any treasury shares.

8 AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2016, and the Income Statement, Comprehensive Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Group and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and

Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the Financial Statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Taxi licences and Goodwill impairment review

The Group reviews taxi licences with indefinite useful lives and goodwill for impairment annually or when there is an impairment indication. Management exercise significant judgements in the assumptions on inputs used in the discounted cash flow forecasts to determine the recoverable amounts.

Our audit procedures included critically challenging the key assumptions on growth rates and discount rates used by Management in the impairment review. We also performed sensitivity analysis around the key inputs including growth rates and discount rates used in the cash flow forecasts. We compared the growth rates to recent business performance, trend analysis and the growth rate for the relevant country. For the discount rate, we compared it to the weighted average cost of capital. We found Management’s key assumptions to be within the reasonable range of our expectations.

Valuation and completeness of provision for accident claims

The valuation and completeness of provisions for settlement of accident claims involves estimation uncertainty. Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics in determining the provision for accident claims.

Our audit procedures included understanding the process used to determine the provision for accident claims. We compared the number of claims and recent settlements to accident claims statistics report issued by insurers; and independently evaluate the reasonableness of the provision estimated by Management. Based on our procedures, we found Management’s key assumptions to be within the reasonable range of our expectations.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the Financial Statements and our auditor’s report thereon. The Directors’ Statement was obtained prior to the date of this auditor’s report and the remaining other information included in the annual report is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair Financial Statements and to maintain accountability of assets.

In preparing the Financial Statements, Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and

appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Philip Yuen Ewe Jin.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

10 February 2017

9 ACCOUNTING POLICIES

Other than Note A in paragraph 5, The Group has applied accounting policies and methods of computation in the Financial Statements for the current reporting year consistent with those of the audited Financial Statements for the year ended 31 December 2015.

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

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

10 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

See above.

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

Earnings per ordinary share

	Group	
	<u>Full Year 2016</u>	<u>Full Year 2015</u>
(i) Based on weighted average number of ordinary shares in issue - cents	14.72	14.07
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	14.68	14.01

EBITDA

	Group	
	<u>Full Year 2016</u>	<u>Full Year 2015</u>
(i) EBITDA (\$'m)	858.2	840.0
(ii) EBITDA margin (%)	21.1	20.4

12 NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	<u>31 Dec 2016</u>	<u>31 Dec 2015</u>	<u>31 Dec 2016</u>	<u>31 Dec 2015</u>
Net asset value per ordinary share based on issued share capital - cents	114.77	108.60	47.72	48.20

13 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$4,059.5m for 2016 was \$52.0m or 1.3% lower compared to \$4,111.5m for 2015. While Group Revenue actually increased by \$72.4m, this was completely eroded by an unfavourable foreign currency translation of \$124.4m. The actual increase in revenue was at the Public Transport Services Business, the Taxi Business and the Driving Centre Business offset by decreases at the Automotive Engineering Services Business, the Inspection and Testing Services Business, the Car Rental and Leasing Business and the Bus Station Business. Of the unfavourable foreign currency translation of \$124.4m, the weaker £ accounted for \$111.3m, the weaker RMB accounted for \$10.4m, the weaker A\$ accounted for \$2.4m and the weaker VND and MYR both accounted for \$0.3m.

Group Operating Costs of \$3,597.3m for 2016 were \$63.5m or 1.7% lower compared to \$3,660.8m for 2015. While Operating Costs actually increased by \$48.4m, this was fully offset by the favourable foreign currency translation of \$111.9m of which the weaker £ accounted for \$101.8m, the weaker RMB accounted for \$7.8m, the weaker A\$ accounted for \$2.1m and the weaker VND and MYR both accounted for \$0.2m. The actual increase in Operating Costs was mainly from higher staff costs, higher repairs and maintenance costs, higher depreciation, higher payments for contract services and higher premises costs offset by lower fuel and electricity costs and lower materials and consumable costs.

Group Operating Profit of \$462.2m for 2016 was \$11.5m or 2.6% higher compared to \$450.7m for 2015. If not for the unfavourable foreign currency translation of \$12.5m, Operating Profit would have increased by \$24.0m or 5.3%.

Net Income from Investments of \$13.9m for 2016 decreased by \$1.1m or 7.3% from \$15.0m for 2015 due mainly to lower interest income from lower deposit rates. Finance Costs decreased by \$4.0m or 21.7% from \$18.4m for 2015 to \$14.4m for 2016 due to the repayment of borrowings and lower interest rates charged.

Share of Profit in Associate of \$4.9m for 2016 was the same as that for 2015.

Group Profit before Taxation of \$466.6m for 2016 was \$14.4m or 3.2% higher compared to \$452.2m for 2015.

Taxation for the Group of \$88.2m for 2016 was \$0.2m or 0.2% lower than that for 2015 as higher profits were earned in the lower tax countries and lower profits earned in the higher tax countries and from the write-back of over provisions relating to prior years.

Group Profit attributable to Shareholders of the Company of \$317.1m for 2016 increased by \$15.2m or 5.0% compared to \$301.9m for 2015.

Group Profit attributable to Non-Controlling Interests of \$61.3m for 2016 decreased by \$0.6m or 1.0% compared to \$61.9m for 2015.

Revenue from Overseas for 2016 was 37.3% of Group Revenue compared to 40.0% for 2015 due mainly to the unfavourable foreign currency translation. If not for that, Overseas Revenue for 2016 would have been 39.2% of total Group Revenue. Operating Profit from Overseas for 2016 of 40.5% of Group Operating Profit was lower compared to 45.6% a year ago.

A segmental breakdown by **Business** is provided under item 17.

Revenue from the Group's **Public Transport Services Business** of \$2,309.1m for 2016 was \$25.4m or 1.1% lower than the \$2,334.5m for 2015 as the actual revenue increase of \$75.4m was completely eroded by an unfavourable foreign currency translation of \$100.8m from the weaker £ and A\$.

Revenue from the Group's **Taxi Business** of \$1,340.8m for 2016 was \$14.0m or 1.1% higher compared to \$1,326.8m for 2015 as the actual revenue increase of \$35.2m was partly eroded by an unfavourable foreign currency translation of \$21.2m from the weaker £, RMB, A\$ and VND.

Revenue from the Group's **Bus Station Business** at Guangzhou of \$26.9m for 2016 was \$2.1m or 7.2% lower than the \$29.0m for 2015 with lower passenger volumes as a result of competition from the expanding rail network accounting for \$0.6m compounded by an unfavourable foreign currency translation of \$1.5m from the weaker RMB.

Revenue from the Group's **Automotive Engineering Services Business** of \$330.5m for 2016 was \$40.6m or 10.9% lower than the \$371.1m for 2015 due mainly to the lower selling prices and volume of diesel sold to our taxi drivers.

Revenue from the Group's **Inspection and Testing Services Business** of \$107.1m for 2016 was \$3.8m or 3.4% lower compared to the \$110.9m for 2015.

Revenue from the Group's **Driving Centre Business** of \$40.0m for 2016 was \$0.8m or 2.0% higher than the \$39.2m for 2015.

Revenue from the Group's **Car Rental and Leasing Business** of \$36.4m for 2016 was \$2.0m or 5.2% lower than the \$38.4m for 2015.

Statement of Financial Position

The financial position of the Group as at 31 December 2016 remained strong. Total Equity increased by \$179.5m from \$3,012.6m as at 31 December 2015 to \$3,192.1m as at 31 December 2016 due to profits generated for the year partially offset by the payment of dividends and the unfavourable impact on the Foreign Currency Translation Reserve.

Total Assets decreased by \$94.3m to \$5,122.0m as at 31 December 2016 due mainly to decreases in other receivables and prepayments and vehicles, premises and equipment partly offset by higher trade receivables, arising mainly from timing differences on contractual payments due from the authorities.

Total Liabilities decreased by \$273.8m to \$1,929.9m as at 31 December 2016 due mainly to the reductions in borrowings and trade and other payables.

Cash Flow

The Group recorded a net cash outflow of \$8.5m for 2016. As at 31 December 2016, the Group had short-term deposits and bank balances of \$779.3m. After accounting for the borrowings of \$345.1m, the Group had a net cash position of \$434.2m compared to \$229.2m as at 31 December 2015. The Group's gross gearing ratio was 10.8% as at 31 December 2016 compared to 18.5% as at 31 December 2015.

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

No forecast or prospect statement has been previously disclosed.

15 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 expected to be higher with higher ridership although this will be affected by the 4.2% fare reduction effective 30 December 2016. 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 Bus Station Business in Guangzhou is expected to be lower with competition from the high speed rail network.

Revenue from the Taxi Business is expected to be lower.

Revenue from the Automotive Engineering Services Business is expected to be lower with the expected lower volume of diesel sold to our taxi drivers.

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

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

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

With the challenging operating environment, costs will continue to be managed prudently.

16 DIVIDEND

(a) Current Financial Period Reported On

The Directors are pleased to propose a tax-exempt one-tier final dividend of 6.05 cents (2015: 5.00 cents) per ordinary share.

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	6.05 cents
Tax Rate	Exempt one-tier

(b) Corresponding Period of the Immediate Preceding Financial Year

Name of Dividend	Final
Dividend Type	Cash; Tax-exempt one-tier
Dividend Amount per ordinary share	5.00 cents
Tax Rate	Exempt one-tier

(c) Date Payable

The proposed final dividend, if approved by the Shareholders at the Fourteenth Annual General Meeting of the Company to be held on 26 April 2017, will be payable on 15 May 2017.

(d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 6 May 2017 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrars, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 5 May 2017 will be registered to determine Shareholders' entitlements to the final 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 5 May 2017 will be entitled to the proposed final dividend.

Geographical segmental information for Full Year 2016

	Revenue		Non-current assets*		Additions to non-current assets*	
	2016	2015	2016	2015	2016	2015
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	2,545.9	2,468.7	1,970.0	1,937.6	340.9	520.1
United Kingdom/ Ireland	923.9	1,024.1	438.5	492.9	63.9	78.6
Australia	385.5	387.1	776.4	764.4	31.4	32.6
China	192.4	219.7	330.5	367.5	28.1	33.3
Vietnam	8.9	8.7	12.8	14.2	2.4	5.4
Malaysia	2.9	3.2	4.4	5.5	0.3	1.1
Total	4,059.5	4,111.5	3,532.6	3,582.1	467.0	671.1

* Comprising vehicles, premises, equipment, taxi licences and goodwill.

18 BREAKDOWN OF REVENUE

	Full Year 2016	Full Year 2015	Increase/ (Decrease)
	\$'m	\$'m	%
(a) Revenue reported for first half year	2,017.9	2,000.7	0.9
(b) Profit after taxation before deducting Non-Controlling Interests reported for first half year	189.3	179.0	5.8
(a) Revenue reported for second half year	2,041.6	2,110.8	(3.3)
(b) Profit after taxation before deducting Non-Controlling Interests reported for second half year	189.1	184.8	2.3

19 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	Full Year 2016	Full Year 2015
	\$'m	\$'m
Ordinary shares (tax-exempt one-tier)		
- Interim	91.6	85.9
- Final (proposed)	130.5	107.8
Total	222.1	193.7

20 INTERESTED PERSON TRANSACTIONS

The Group does not have any Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual.

21 DISCLOSURE OF PERSONS OCCUPYING MANAGERIAL POSITIONS

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that as at 31 December 2016, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

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.

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

10 February 2017