


**COMFORTDELGRO CORPORATION LIMITED**

Company Registration Number : 200300002K

**Financial Statements and Dividend Announcement for the year ended 31 December 2017**

The Board of Directors announces the audited results of the Group for the year ended 31 December 2017.

**1 GROUP INCOME STATEMENT**

	<b>Group</b>		Incr / (Decr) %
	FY2017 \$'m	FY2016 \$'m	
<b>Revenue</b>	3,970.9	4,059.5	(2.2)
Staff costs	1,495.2	1,458.0	2.6
Contract services	521.9	560.9	(7.0)
Depreciation and amortisation	408.8	396.0	3.2
Repairs and maintenance costs	266.2	258.6	2.9
Fuel and electricity costs	236.8	231.7	2.2
Materials and consumables costs	144.1	154.0	(6.4)
Road tax	118.1	138.5	(14.7)
Insurance premiums and accident claims	116.0	125.8	(7.8)
Premises costs	95.9	91.4	4.9
Taxi drivers' benefits	43.8	55.6	(21.2)
Advertising production and promotion costs	21.6	21.7	(0.5)
Utilities and communication costs	18.8	19.7	(4.6)
Vehicle leasing charges	11.5	19.2	(40.1)
Other operating costs	63.0	66.2	(4.8)
<b>Total Operating Costs</b>	<u>3,561.7</u>	<u>3,597.3</u>	(1.0)
<b>Operating Profit</b>	409.2	462.2	(11.5)
Net Income from Investments	22.4	13.9	61.2
Finance Costs	(10.8)	(14.4)	(25.0)
Share of Profit in Associate	4.6	4.9	(6.1)
<b>Profit before Taxation</b>	425.4	466.6	(8.8)
Taxation	<u>(76.5)</u>	<u>(88.2)</u>	(13.3)
<b>Profit after Taxation</b>	<u>348.9</u>	<u>378.4</u>	(7.8)
Attributable to :			
<b>Shareholders of the Company</b>	<b>301.5</b>	<b>317.1</b>	<b>(4.9)</b>
Non-Controlling Interests	<u>47.4</u>	<u>61.3</u>	(22.7)
	<u>348.9</u>	<u>378.4</u>	(7.8)

## 2 STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	\$'m	\$'m	\$'m	\$'m
<b>ASSETS</b>				
<b>Current assets</b>				
Short-term deposits and bank balances	596.2	779.3	129.7	309.6
Investments	10.4	-	5.2	-
Trade receivables	250.6	237.4	-	-
Other receivables and prepayments	195.2	152.7	5.5	5.4
Inventories	113.6	81.7	-	-
Total current assets	1,166.0	1,251.1	140.4	315.0
<b>Non-current assets</b>				
Subsidiaries	-	-	1,314.5	1,121.5
Associates	9.0	11.2	0.3	0.3
Investments	28.7	62.9	18.3	41.7
Other receivables and prepayments	6.7	3.0	19.8	19.9
Grant receivables	231.2	237.6	-	-
Vehicles, premises and equipment	2,722.6	2,814.8	6.9	8.0
Taxi licences	211.9	217.7	-	-
Goodwill	428.3	427.5	-	-
Deferred tax assets	23.3	23.6	-	-
Total non-current assets	3,661.7	3,798.3	1,359.8	1,191.4
<b>Total assets</b>	<b>4,827.7</b>	<b>5,049.4</b>	<b>1,500.2</b>	<b>1,506.4</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	114.2	169.3	-	-
Trade and other payables	677.3	717.5	253.0	472.1
Deferred grants	19.1	17.9	-	-
Fuel price equalisation account	20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	62.2	65.8	-	-
Income tax payable	52.2	48.5	2.8	2.6
Total current liabilities	945.0	1,039.0	255.8	474.7
<b>Non-current liabilities</b>				
Borrowings	208.1	175.8	-	-
Deferred grants	282.4	279.6	-	-
Other liabilities	75.9	90.7	0.1	0.1
Fuel price equalisation account	20.0	20.0	-	-
Deferred tax liabilities	258.5	252.2	1.3	2.3
Total non-current liabilities	844.9	818.3	1.4	2.4
<b>Total liabilities</b>	<b>1,789.9</b>	<b>1,857.3</b>	<b>257.2</b>	<b>477.1</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	688.2	676.9	688.2	676.9
Other reserves	126.4	23.4	(32.4)	(13.3)
Foreign currency translation reserve	(170.8)	(125.5)	-	-
Accumulated profits	1,974.4	1,900.7	587.2	365.7
<b>Equity attributable to shareholders of the Company</b>	<b>2,618.2</b>	<b>2,475.5</b>	<b>1,243.0</b>	<b>1,029.3</b>
Non-controlling interests	419.6	716.6	-	-
<b>Total equity</b>	<b>3,037.8</b>	<b>3,192.1</b>	<b>1,243.0</b>	<b>1,029.3</b>
<b>Total liabilities and equity</b>	<b>4,827.7</b>	<b>5,049.4</b>	<b>1,500.2</b>	<b>1,506.4</b>

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

**3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS**

	<u>31 Dec 2017</u>	<u>31 Dec 2016</u>
	\$ 'm	\$ 'm
<b>Secured</b>		
Amount repayable in one year or less, or on demand	34.6	19.0
Amount repayable after one year	83.1	89.8
	<u>117.7</u>	<u>108.8</u>
<b>Unsecured</b>		
Amount repayable in one year or less, or on demand	79.6	150.3
Amount repayable after one year	125.0	86.0
	<u>204.6</u>	<u>236.3</u>
<b>Total</b>		
Amount repayable in one year or less, or on demand	114.2	169.3
Amount repayable after one year	208.1	175.8
	<u>322.3</u>	<u>345.1</u>

**Details of any collateral**

Details of the total secured borrowings of \$117.7m are as follows:

- a \$79.4m relates to financing of vehicles under hire purchase arrangements; and
- b \$38.3m relates to borrowings of subsidiaries secured by vehicles.

## 4 GROUP CASH FLOW STATEMENT

	<b>Group</b>	
	Full Year 2017	Full Year 2016
	\$'m	\$'m
<b>Operating activities:</b>		
Profit before Taxation	425.4	466.6
Adjustments for:		
Depreciation and amortisation	408.8	396.0
Finance costs	10.8	14.4
Interest income	(9.9)	(11.6)
Dividend income	(12.5)	(2.5)
Grant income	(35.8)	(104.4)
Net gain on disposal of vehicles	(5.2)	(2.3)
Insurance premiums payable and provision for accident claims	17.7	17.5
Share of profit in associate	(4.6)	(4.9)
Others	4.8	7.8
Operating cash flows before movements in working capital	799.5	776.6
Changes in working capital	(145.6)	(8.4)
Cash generated from operations	653.9	768.2
Income tax paid	(72.0)	(63.4)
<b>Net cash from operating activities</b>	<b>581.9</b>	<b>704.8</b>
<b>Investing activities:</b>		
Purchases of vehicles, premises and equipment	(393.6)	(466.5)
Less: Vehicles purchased under finance lease arrangements	28.2	-
Less: Proceeds from disposal of vehicles	81.8	75.9
Cash payments on purchase of vehicles, premises and equipment	(283.6)	(390.6)
Payment for taxi licences	-	(0.5)
Investment made	-	(0.3)
Return of capital from an associate	-	0.6
Interest received	10.4	11.3
Dividend received from an associate	6.8	3.4
Dividend received from investments	12.5	2.5
<b>Net cash used in investing activities</b>	<b>(253.9)</b>	<b>(373.6)</b>
<b>Financing activities:</b>		
Acquisition of non-controlling interests in subsidiaries	(218.0)	-
New loans raised	1,012.9	437.5
Repayment of borrowings	(1,064.4)	(646.9)
Capital contribution from non-controlling shareholder of a subsidiary	-	0.5
Dividends paid to shareholders of the Company	(224.9)	(199.4)
Dividends paid to non-controlling shareholders of subsidiaries	(58.4)	(30.6)
Proceeds from exercise of share options of the Company	10.4	10.3
Proceeds from exercise of share options of subsidiaries	1.8	2.4
Grants received	44.9	120.2
Interest paid	(11.4)	(14.9)
Proceeds from unclaimed dividends	0.1	0.1
<b>Net cash used in financing activities</b>	<b>(507.0)</b>	<b>(320.8)</b>
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	<b>(4.1)</b>	<b>(18.9)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(183.1)</b>	<b>(8.5)</b>
Cash and cash equivalents at beginning of year	779.3	787.8
<b>Cash and cash equivalents at end of year</b>	<b>596.2</b>	<b>779.3</b>

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

## 5 GROUP COMPREHENSIVE INCOME STATEMENT

	<b>Group</b>	
	Full Year 2017	Full Year 2016
	\$'m	\$'m
<b>Profit after Taxation</b>	348.9	378.4
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value adjustment on cash flow hedges	10.3	47.1
Fair value adjustment on bonds	(0.2)	(0.1)
Exchange differences on translation of foreign operations	(6.2)	(79.2)
	<u>3.9</u>	<u>(32.2)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Actuarial adjustment on defined benefit plans	5.0	0.9
Fair value adjustment on equity investments	(21.9)	10.5
Revaluation of premises	-	40.2
	<u>(16.9)</u>	<u>51.6</u>
<b>Other comprehensive income for the year</b>	<u>(13.0)</u>	<u>19.4</u>
<b>Total comprehensive income for the year</b>	<u><u>335.9</u></u>	<u><u>397.8</u></u>
<b>Attributable to:</b>		
Shareholders of the Company	291.1	329.8
Non-Controlling Interests	44.8	68.0
	<u><u>335.9</u></u>	<u><u>397.8</u></u>

## 6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the year ended 31 December 2017:

	<b>Group</b>						
	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	
<b>Balance at 1 January 2016</b>	665.5	(64.2)	(53.7)	1,787.5	2,335.1	677.5	3,012.6
<b>Total comprehensive income for the year</b>							
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
<b>Total</b>	-	84.5	(71.8)	317.1	329.8	68.0	397.8
<b>Transactions recognised directly in equity</b>							
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)
<b>Total</b>	11.4	3.1	-	(203.9)	(189.4)	(28.9)	(218.3)
<b>Balance at 31 December 2016</b>	676.9	23.4	(125.5)	1,900.7	2,475.5	716.6	3,192.1
<b>Total comprehensive income for the year</b>							
Profit for the year	-	-	-	301.5	301.5	47.4	348.9
Other comprehensive income for the year	-	(7.3)	(3.1)	-	(10.4)	(2.6)	(13.0)
<b>Total</b>	-	(7.3)	(3.1)	301.5	291.1	44.8	335.9
<b>Transactions recognised directly in equity</b>							
Adjustments arising from acquisition of interest in subsidiaries	-	109.0	(42.2)	-	66.8	(284.8)	(218.0)
Exercise of share options	11.3	(0.9)	-	-	10.4	-	10.4
Payment of dividends	-	-	-	(224.9)	(224.9)	-	(224.9)
Other reserves	-	2.2	-	(2.9)	(0.7)	(57.0)	(57.7)
<b>Total</b>	11.3	110.3	(42.2)	(227.8)	(148.4)	(341.8)	(490.2)
<b>Balance at 31 December 2017</b>	688.2	126.4	(170.8)	1,974.4	2,618.2	419.6	3,037.8

## Statement of Changes in Equity of the Company for the year ended 31 December 2017:

	<b>Company</b>			
	<b>Share capital</b>	<b>Other reserves</b>	<b>Accumulated profits</b>	<b>Total equity</b>
	\$'m	\$'m	\$'m	\$'m
<b>Balance at 1 January 2016</b>	665.5	(21.0)	392.0	1,036.5
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	173.0	173.0
Other comprehensive income for the year	-	8.8	-	8.8
<b>Total</b>	-	8.8	173.0	181.8
<b>Transactions recognised directly in equity</b>				
Exercise of share options	11.4	(1.1)	-	10.3
Payment of dividends	-	-	(199.4)	(199.4)
Other reserves	-	-	0.1	0.1
<b>Total</b>	11.4	(1.1)	(199.3)	(189.0)
<b>Balance at 31 December 2016</b>	676.9	(13.3)	365.7	1,029.3
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	446.4	446.4
Other comprehensive income for the year	-	(18.2)	-	(18.2)
<b>Total</b>	-	(18.2)	446.4	428.2
<b>Transactions recognised directly in equity</b>				
Exercise of share options	11.3	(0.9)	-	10.4
Payment of dividends	-	-	(224.9)	(224.9)
<b>Total</b>	11.3	(0.9)	(224.9)	(214.5)
<b>Balance at 31 December 2017</b>	688.2	(32.4)	587.2	1,243.0

## 7 CHANGES IN COMPANY'S SHARE CAPITAL

### Share Capital

During the financial year, the Company issued 6,766,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 31 December 2017, the total number of issued shares was 2,163,617,663 (31 December 2016: 2,156,851,663).

### Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 31 December 2017, options to subscribe for 6,174,000 ordinary shares (31 December 2016: 13,040,000 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 2017, 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 2017, 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 2017 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 vehicles, taxi licences and goodwill impairment review

The Group reviews taxi licences with indefinite useful lives and goodwill for impairment annually or more frequently when there is an impairment indication. Impairment assessment is also performed for taxi vehicles and taxi licences with definite useful lives when there is an impairment indication. Management exercises 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

13 February 2018

## **9 ACCOUNTING POLICIES**

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 2016.

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 2017.

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**

Not applicable.

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

### Earnings per ordinary share

	<b>Group</b>	
	<u>Full Year 2017</u>	<u>Full Year 2016</u>
(i) Based on weighted average number of ordinary shares in issue - cents	13.95	14.72
(ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents	13.94	14.68

### EBITDA

	<b>Group</b>	
	<u>Full Year 2017</u>	<u>Full Year 2016</u>
(i) EBITDA (\$'m)	818.0	858.2
(ii) EBITDA margin (%)	20.6	21.1

## 12 NET ASSET VALUE PER ORDINARY SHARE

	<b>Group</b>		<b>Company</b>	
	<u>31 Dec 2017</u>	<u>31 Dec 2016</u>	<u>31 Dec 2017</u>	<u>31 Dec 2016</u>
Net asset value per ordinary share based on issued share capital - cents	121.01	114.77	57.45	47.72

## 13 REVIEW OF GROUP PERFORMANCE

### Performance Review

Group Revenue of \$3,970.9m for 2017 was \$88.6m or 2.2% lower compared to \$4,059.5m for 2016. Of the \$88.6m decrease, the actual underlying decrease was \$54.1m compounded by an unfavourable foreign currency translation of \$34.5m. The decreases in the underlying business were from decreases in the Taxi Business, the Automotive Engineering Services Business, the Car Rental and Leasing Business, the Inspection and Testing Services Business and the Bus Station Business offset by the Public Transport Services Business and the Driving Centre Business. The unfavourable foreign currency translation of \$34.5m was due mainly to the weaker £ which accounted for \$44.6m partially offset by the stronger A\$ which accounted for \$12.5m.

Group Operating Costs of \$3,561.7m for 2017 were \$35.6m or 1.0% lower compared to \$3,597.3m for 2016 due to the favourable foreign currency translation of \$32.7m mainly from the weaker £ which accounted for \$41.6m partially offset by the stronger A\$ which accounted for \$10.6m and the decrease in the underlying business of \$2.9m. The decrease in the operating costs from the underlying business was mainly from lower payments for contract services, lower road tax, lower taxi drivers' benefits, lower material and consumables costs, lower insurance premiums and accident claims and lower vehicle leasing charges offset by higher staff costs, higher depreciation, higher repairs and maintenance costs, higher fuel and electricity costs and higher premises costs.

Group Operating Profit of \$409.2m for 2017 was \$53.0m or 11.5% lower compared to \$462.2m for 2016.

Net Income from Investments of \$22.4m for 2017 was higher by \$8.5m or 61.2% from \$13.9m for 2016 due mainly to special dividends from Cabcharge Australia offset by lower interest income from lower average cash balances. Finance Costs decreased by \$3.6m or 25.0% from \$14.4m for 2016 to \$10.8m for 2017 due mainly to the lower interest expense in Australia and the UK from the repayment of borrowings and lower interest rates.

Share of Profit in Associate of \$4.6m for 2017 was \$0.3m or 6.1% lower than the \$4.9m for 2016.

Consequently, Group Profit before Taxation of \$425.4m for 2017 was \$41.2m or 8.8% lower compared to \$466.6m for 2016.

Taxation for the Group of \$76.5m for 2017 was 18.0% of Group Profit before Taxation compared to \$88.2m or 18.9% of Group Profit before Taxation for 2016 due to higher non-taxable items in 2017 and lower corporate tax rate in the UK from April 2017.

Group Profit after Taxation of \$348.9m for 2017 was \$29.5m or 7.8% lower than the \$378.4m for 2016.

Group Profit attributable to Shareholders of the Company of \$301.5m for 2017 decreased by \$15.6m or 4.9% compared to \$317.1m for 2016 due to lower Group Profit after Taxation partially offset by higher profits due to the contribution from the acquisition of the 49.0% interest in ComfortDelGro Corporation Australia ('CDC').

Group Profit attributable to Non-Controlling Interests of \$47.4m for 2017 decreased by \$13.9m or 22.7% compared to \$61.3m for 2016 due mainly to the elimination of the non-controlling interest's 49.0% share in CDC.

Revenue from Overseas for 2017 was 37.5% of Group Revenue compared to 37.3% for 2016. Operating Profit from Overseas for 2017 of 40.4% of Group Operating Profit was lower compared to 40.5% a year ago.

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

Revenue from the Group's **Public Transport Services Business** of \$2,392.8m for 2017 was \$83.7m or 3.6% higher than the \$2,309.1m for 2016. The increase in the underlying business of \$110.2m was partially eroded by an unfavourable foreign currency translation of \$26.5m from the weaker £ offset by the stronger A\$ and Euro.

Revenue from the Group's **Taxi Business** of \$1,208.7m for 2017 was \$132.1m or 9.9% lower compared to \$1,340.8m for 2016 due to increased competition. The decrease in revenue from the underlying business of \$124.8m was compounded by an unfavourable foreign currency translation of \$7.3m from the weaker £ offset by the stronger A\$.

Revenue from the Group's **Automotive Engineering Services Business** of \$283.4m for 2017 was \$47.1m or 14.3% lower than the \$330.5m for 2016 due to the decrease in revenue from repair and maintenance of taxis and diesel sales to taxi hirers from a smaller taxi fleet.

Revenue from the Group's **Inspection and Testing Services Business** of \$104.0m for 2017 was \$3.1m or 2.9% lower compared to the \$107.1m for 2016.

Revenue from the Group's **Driving Centre Business** of \$42.2m for 2017 was \$2.2m or 5.5% higher than the \$40.0m for 2016.

Revenue from the Group's **Car Rental and Leasing Business** of \$31.5m for 2017 was \$4.9m or 13.5% lower than the \$36.4m for 2016.

Revenue from the Group's **Bus Station Business** at Guangzhou of \$25.6m for 2017 was \$1.3m or 4.8% lower than the \$26.9m for 2016.

## Statement of Financial Position

The financial position of the Group as at 31 December 2017 remained strong. Total Equity decreased by \$154.3m from \$3,192.1m as at 31 December 2016 to \$3,037.8m as at 31 December 2017 due mainly to the reduction in non-controlling interests from the acquisition of the remaining 49.0% interest in CDC and CityFleet Networks and the payment of dividends partially offset by profits generated for the year and the negative goodwill from the acquisition of the 49.0% interest in CDC and CityFleet Networks.

Total Assets decreased by \$221.7m to \$4,827.7m as at 31 December 2017 from \$5,049.4m as at 31 December 2016 due mainly to lower short-term deposits and bank balances following the payment for the acquisition of the 49.0% interest in CDC and CityFleet Networks, decrease in vehicles, premises and equipment and decrease in investments mainly from fair value adjustment offset by higher other receivables and prepayments and higher inventories.

Total Liabilities decreased by \$67.4m to \$1,789.9m as at 31 December 2017 from \$1,857.3m as at 31 December 2016 due mainly to lower borrowings and the reduction in trade and other payables.

## Cash Flow

The Group recorded a net cash outflow of \$183.1m for 2017. As at 31 December 2017, the Group had short-term deposits and bank balances of \$596.2m. After accounting for the borrowings of \$322.3m, the Group had a net cash position of \$273.9m compared to \$434.2m as at 31 December 2016. The Group's gross gearing ratio was 10.6% as at 31 December 2017 compared to 10.8% as at 31 December 2016.

### 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 with the Seletar Bus Package which will commence operations on 11 March 2018. Rail service revenue is expected to be higher with a full year revenue contribution from the DTL3 which opened on 21 October 2017. Rail fare revenue will be affected by the fare reduction effective 29 December 2017. Revenue from the Australia Bus Business is expected to be higher while revenue from the UK Bus Business is expected to be lower.

Revenue from the Taxi Business is expected to be lower from a lower fleet and a more competitive rental package to retain hirers as competition continues to be intense.

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 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 maintained.

The Group will continue to explore acquisition opportunities and as the operating environment will continue to be challenging, 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 (2016: 6.05 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	6.05 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 2018, will be payable on 14 May 2018.

**(d) Books Closure Date**

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 8 May 2018 for the purposes of determining Shareholders' entitlements to the proposed final dividend.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 7 May 2018 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 7 May 2018 will be entitled to the proposed final dividend.





## Geographical segmental information for Full Year 2017

	Revenue		Non-current assets*		Additions to non-current assets*	
	2017	2016	2017	2016	2017	2016
	\$'m	\$'m	\$'m	\$'m	\$'m	\$'m
Singapore	2,483.3	2,545.9	1,741.6	1,897.4	213.8	340.9
United Kingdom/ Ireland	875.4	923.9	497.2	438.5	95.8	63.9
Australia	423.6	385.5	795.5	776.4	54.3	31.4
China	179.2	192.4	317.0	330.5	29.1	28.1
Vietnam	6.8	8.9	7.5	12.8	0.1	2.4
Malaysia	2.6	2.9	4.0	4.4	0.5	0.3
Total	3,970.9	4,059.5	3,362.8	3,460.0	393.6	467.0

\* Comprising vehicles, premises, equipment, tax licences and goodwill.

## 18 BREAKDOWN OF REVENUE

	Full Year 2017	Full Year 2016	Increase/ (Decrease)
	\$'m	\$'m	%
(a) Revenue reported for first half year	1,959.2	2,017.9	(2.9)
(b) Profit after taxation before deducting Non-Controlling Interests reported for first half year	186.0	189.3	(1.7)
(a) Revenue reported for second half year	2,011.7	2,041.6	(1.5)
(b) Profit after taxation before deducting Non-Controlling Interests reported for second half year	162.9	189.1	(13.9)

## 19 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

	Full Year 2017	Full Year 2016
	\$'m	\$'m
Ordinary shares (tax-exempt one-tier)		
- Interim	94.1	91.6
- Final (proposed)	130.9	130.8
Total	225.0	222.4

## 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 2017, 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 / Yeo Tee Yeok, Edwin  
Joint Company Secretaries

13 February 2018