


COMFORTDELGRO CORPORATION LIMITED

Company Registration Number : 200300002K

First Quarter 2017 Financial Statements Announcement

The Board of Directors announces the unaudited results of the Group for the First Quarter ended 31 March 2017.

1 GROUP INCOME STATEMENT

| | 1st Qtr 2017 \$'m | Group 1st Qtr 2016 \$'m | Incr / (Decr) % |
|--|-------------------------|---|-----------------------|
| Revenue | 972.0 | 995.6 | (2.4) |
| Staff costs | 360.4 | 355.7 | 1.3 |
| Contract services | 128.3 | 138.7 | (7.5) |
| Depreciation and amortisation | 102.7 | 96.0 | 7.0 |
| Repairs and maintenance costs | 61.2 | 66.1 | (7.4) |
| Fuel and electricity costs | 56.7 | 53.1 | 6.8 |
| Materials and consumables costs | 37.7 | 38.9 | (3.1) |
| Road tax | 31.7 | 34.4 | (7.8) |
| Insurance premiums and accident claims | 28.8 | 31.4 | (8.3) |
| Premises costs | 22.3 | 22.1 | 0.9 |
| Taxi drivers' benefits | 13.2 | 15.5 | (14.8) |
| Utilities and communication costs | 4.8 | 5.1 | (5.9) |
| Advertising production and promotion costs | 4.1 | 4.6 | (10.9) |
| Vehicle leasing charges | 3.3 | 5.2 | (36.5) |
| Other operating costs | 16.3 | 19.4 | (16.0) |
| Total Operating Costs | <u>871.5</u> | <u>886.2</u> | (1.7) |
| Operating Profit | 100.5 | 109.4 | (8.1) |
| Net Income from Investments | 13.7 | 3.2 | N.M. |
| Finance Costs | (2.9) | (4.0) | (27.5) |
| Share of Profit in Associate | 1.7 | 1.7 | - |
| Profit before Taxation | 113.0 | 110.3 | 2.4 |
| Taxation | (18.7) | (21.9) | (14.6) |
| Profit after Taxation | <u>94.3</u> | <u>88.4</u> | 6.7 |
| Attributable to : | | | |
| Shareholders of the Company | 82.5 | 73.4 | 12.4 |
| Non-Controlling Interests | 11.8 | 15.0 | (21.3) |
| | <u>94.3</u> | <u>88.4</u> | 6.7 |

N.M. Not meaningful

2 STATEMENTS OF FINANCIAL POSITION

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 31 Mar 2017 | 31 Dec 2016 | 31 Mar 2017 | 31 Dec 2016 |
| | \$'m | \$'m | \$'m | \$'m |
| ASSETS | | | | |
| Current assets | | | | |
| Short-term deposits and bank balances | 639.2 | 779.3 | 135.6 | 309.6 |
| Trade receivables | 276.4 | 237.4 | - | - |
| Other receivables and prepayments | 149.3 | 152.7 | 10.8 | 2.5 |
| Due from subsidiaries | - | - | 2.8 | 2.9 |
| Inventories | 90.2 | 81.7 | - | - |
| Total current assets | 1,155.1 | 1,251.1 | 149.2 | 315.0 |
| Non-current assets | | | | |
| Subsidiaries | - | - | 1,318.0 | 1,121.5 |
| Associates | 9.2 | 11.2 | 0.3 | 0.3 |
| Investments | 53.0 | 62.9 | 34.1 | 41.7 |
| Other receivables and prepayments | 3.2 | 3.0 | 0.1 | 0.1 |
| Grant receivables | 235.8 | 237.6 | - | - |
| Due from subsidiaries | - | - | 0.1 | 19.8 |
| Vehicles, premises and equipment | 2,823.0 | 2,887.4 | 7.7 | 8.0 |
| Taxi licences | 211.3 | 217.7 | - | - |
| Goodwill | 431.5 | 427.5 | - | - |
| Deferred tax assets | 25.4 | 23.6 | - | - |
| Total non-current assets | 3,792.4 | 3,870.9 | 1,360.3 | 1,191.4 |
| Total assets | 4,947.5 | 5,122.0 | 1,509.5 | 1,506.4 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Borrowings | 254.4 | 169.3 | - | - |
| Trade and other payables | 684.8 | 771.4 | 40.6 | 49.9 |
| Deferred grants | 18.5 | 17.9 | - | - |
| Due to subsidiaries and associate | 8.9 | 14.3 | 246.4 | 422.2 |
| Fuel price equalisation account | 20.0 | 20.0 | - | - |
| Insurance premiums payable and provision for accident claims | 68.4 | 70.2 | - | - |
| Income tax payable | 55.8 | 48.5 | 2.6 | 2.6 |
| Total current liabilities | 1,110.8 | 1,111.6 | 289.6 | 474.7 |
| Non-current liabilities | | | | |
| Borrowings | 136.9 | 175.8 | - | - |
| Deferred grants | 280.7 | 279.6 | - | - |
| Other liabilities | 90.4 | 90.7 | 0.1 | 0.1 |
| Fuel price equalisation account | 20.0 | 20.0 | - | - |
| Deferred tax liabilities | 253.1 | 252.2 | 2.3 | 2.3 |
| Total non-current liabilities | 781.1 | 818.3 | 2.4 | 2.4 |
| Total liabilities | 1,891.9 | 1,929.9 | 292.0 | 477.1 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 677.6 | 676.9 | 677.6 | 676.9 |
| Other reserves | 109.8 | 23.4 | (20.8) | (13.3) |
| Foreign currency translation reserve | (158.4) | (125.5) | - | - |
| Accumulated profits | 1,983.0 | 1,900.7 | 560.7 | 365.7 |
| Equity attributable to shareholders of the Company | 2,612.0 | 2,475.5 | 1,217.5 | 1,029.3 |
| Non-controlling interests | 443.6 | 716.6 | - | - |
| Total equity | 3,055.6 | 3,192.1 | 1,217.5 | 1,029.3 |
| Total liabilities and equity | 4,947.5 | 5,122.0 | 1,509.5 | 1,506.4 |

3 AGGREGATE AMOUNT OF GROUP'S BORROWINGS

| | <u>31 Mar 2017</u> | <u>31 Dec 2016</u> |
|--|--------------------|--------------------|
| | \$ 'm | \$ 'm |
| Secured | | |
| Amount repayable in one year or less, or on demand | 19.5 | 19.0 |
| Amount repayable after one year | 86.7 | 89.8 |
| | <u>106.2</u> | <u>108.8</u> |
| Unsecured | | |
| Amount repayable in one year or less, or on demand | 234.9 | 150.3 |
| Amount repayable after one year | 50.2 | 86.0 |
| | <u>285.1</u> | <u>236.3</u> |
| Total | | |
| Amount repayable in one year or less, or on demand | 254.4 | 169.3 |
| Amount repayable after one year | 136.9 | 175.8 |
| | <u>391.3</u> | <u>345.1</u> |

Details of any collateral

Details of the total secured borrowings of \$106.2m are as follows:

- a \$58.9m relates to financing of vehicles under hire purchase arrangements; and
- b \$47.3m relates to borrowings of subsidiaries secured by vehicles.

4 GROUP CASH FLOW STATEMENT

| | Group | |
|--|-----------------|-----------------|
| | 1st Qtr 2017 | 1st Qtr 2016 |
| | \$'m | \$'m |
| Operating activities: | | |
| Profit before Taxation | 113.0 | 110.3 |
| Adjustments for: | | |
| Depreciation and amortisation | 102.7 | 96.0 |
| Finance costs | 2.9 | 4.0 |
| Interest income | (2.5) | (3.2) |
| Dividend income | (11.2) | - |
| Grant income | (9.0) | (32.6) |
| Net gain on disposal of vehicles | (1.2) | (0.5) |
| Share of profit in associate | (1.7) | (1.7) |
| Others | 4.4 | 1.3 |
| Operating cash flows before movements in working capital | 197.4 | 173.6 |
| Changes in working capital | (124.8) | 59.2 |
| Cash generated from operations | 72.6 | 232.8 |
| Income tax paid | (12.7) | (11.3) |
| Net cash from operating activities | 59.9 | 221.5 |
| Investing activities: | | |
| Purchases of vehicles, premises and equipment | (57.4) | (77.1) |
| Less: Proceeds from disposal of vehicles | 18.1 | 8.6 |
| Cash payments on purchase of vehicles, premises and equipment | (39.3) | (68.5) |
| Investment made | - | (0.3) |
| Interest received | 3.2 | 3.1 |
| Dividend received from an associate | 3.7 | 1.7 |
| Dividend received from an investment | 0.1 | - |
| Net cash used in investing activities | (32.3) | (64.0) |
| Financing activities: | | |
| Acquisition of non-controlling interests in a subsidiary | (201.1) | - |
| New loans raised | 237.7 | 154.8 |
| Repayment of borrowings | (194.1) | (222.5) |
| Capital contribution from non-controlling shareholder of a subsidiary | - | 0.5 |
| Dividends paid to non-controlling shareholders of subsidiaries | (13.7) | (10.9) |
| Proceeds from exercise of share options of the Company | 0.7 | 4.5 |
| Proceeds from exercise of share options of subsidiaries | 0.8 | 0.1 |
| Grants received | 11.2 | 36.6 |
| Interest paid | (3.5) | (5.1) |
| Net cash used in financing activities | (162.0) | (42.0) |
| Net effect of exchange rate changes in consolidating subsidiaries | (5.7) | (15.4) |
| Net (decrease)/increase in cash and cash equivalents | (140.1) | 100.1 |
| Cash and cash equivalents at beginning of quarter | 779.3 | 787.8 |
| Cash and cash equivalents at end of quarter | 639.2 | 887.9 |

5 GROUP COMPREHENSIVE INCOME STATEMENT

| | Group | |
|---|--------------------|--------------------|
| | 1st Qtr 2017 | 1st Qtr 2016 |
| | \$'m | \$'m |
| Profit after Taxation | 94.3 | 88.4 |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Fair value adjustment on cash flow hedges | (0.2) | 5.9 |
| Fair value adjustment on bonds | - | 0.1 |
| Exchange differences on translation of foreign operations | (7.2) | (52.5) |
| | <u>(7.4)</u> | <u>(46.5)</u> |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | |
| Fair value adjustment on equity investments | (9.2) | 2.9 |
| Other comprehensive income for the period | <u>(16.6)</u> | <u>(43.6)</u> |
| Total comprehensive income for the period | <u><u>77.7</u></u> | <u><u>44.8</u></u> |
| Attributable to: | | |
| Shareholders of the Company | 70.7 | 37.9 |
| Non-Controlling Interests | <u>7.0</u> | <u>6.9</u> |
| | <u><u>77.7</u></u> | <u><u>44.8</u></u> |

6 STATEMENTS OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2017:

| | Group | | | | | Non-controlling interests | Total equity |
|--|---|----------------|--------------------------------------|---------------------|---------|---------------------------|--------------|
| | Attributable to shareholders of the Company | | | | | | |
| | Share capital | Other reserves | Foreign currency translation reserve | Accumulated profits | Total | | |
| \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | |
| Balance at 1 January 2017 | 676.9 | 23.4 | (125.5) | 1,900.7 | 2,475.5 | 716.6 | 3,192.1 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | 82.5 | 82.5 | 11.8 | 94.3 |
| Other comprehensive income for the period | - | (9.4) | (2.4) | - | (11.8) | (4.8) | (16.6) |
| Total | - | (9.4) | (2.4) | 82.5 | 70.7 | 7.0 | 77.7 |
| Transactions recognised directly in equity | | | | | | | |
| Adjustments arising from acquisition of interest in a subsidiary | - | 96.1 | (30.5) | - | 65.6 | (266.7) | (201.1) |
| Exercise of share options | 0.7 | - | - | - | 0.7 | - | 0.7 |
| Other reserves | - | (0.3) | - | (0.2) | (0.5) | (13.3) | (13.8) |
| Total | 0.7 | 95.8 | (30.5) | (0.2) | 65.8 | (280.0) | (214.2) |
| Balance at 31 March 2017 | 677.6 | 109.8 | (158.4) | 1,983.0 | 2,612.0 | 443.6 | 3,055.6 |

Consolidated Statement of Changes in Equity for the 1st quarter ended 31 March 2016:

| | Group | | | | | Non-controlling interests | Total equity |
|---|---|----------------|--------------------------------------|---------------------|---------|---------------------------|--------------|
| | Attributable to shareholders of the Company | | | | | | |
| | Share capital | Other reserves | Foreign currency translation reserve | Accumulated profits | Total | | |
| \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m | |
| Balance at 1 January 2016 | 665.5 | (64.2) | (53.7) | 1,787.5 | 2,335.1 | 677.5 | 3,012.6 |
| Total comprehensive income for the period | | | | | | | |
| Profit for the period | - | - | - | 73.4 | 73.4 | 15.0 | 88.4 |
| Other comprehensive income for the period | - | 8.4 | (43.9) | - | (35.5) | (8.1) | (43.6) |
| Total | - | 8.4 | (43.9) | 73.4 | 37.9 | 6.9 | 44.8 |
| Transactions recognised directly in equity | | | | | | | |
| Exercise of share options | 5.0 | (0.5) | - | - | 4.5 | - | 4.5 |
| Other reserves | - | 1.2 | - | (1.1) | 0.1 | (10.4) | (10.3) |
| Total | 5.0 | 0.7 | - | (1.1) | 4.6 | (10.4) | (5.8) |
| Balance at 31 March 2016 | 670.5 | (55.1) | (97.6) | 1,859.8 | 2,377.6 | 674.0 | 3,051.6 |

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2017:

| | Company | | | |
|---|----------------------|-----------------------|----------------------------|---------------------|
| | Share capital | Other reserves | Accumulated profits | Total equity |
| | \$'m | \$'m | \$'m | \$'m |
| Balance at 1 January 2017 | 676.9 | (13.3) | 365.7 | 1,029.3 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 195.0 | 195.0 |
| Other comprehensive income for the period | - | (7.5) | - | (7.5) |
| Total | - | (7.5) | 195.0 | 187.5 |
| Transactions recognised directly in equity | | | | |
| Exercise of share options | 0.7 | - | - | 0.7 |
| Total | 0.7 | - | - | 0.7 |
| Balance at 31 March 2017 | 677.6 | (20.8) | 560.7 | 1,217.5 |

Statement of Changes in Equity of the Company for the 1st quarter ended 31 March 2016:

| | Company | | | |
|---|----------------------|-----------------------|----------------------------|---------------------|
| | Share capital | Other reserves | Accumulated profits | Total equity |
| | \$'m | \$'m | \$'m | \$'m |
| Balance at 1 January 2016 | 665.5 | (21.0) | 392.0 | 1,036.5 |
| Total comprehensive income for the period | | | | |
| Profit for the period | - | - | 24.9 | 24.9 |
| Other comprehensive income for the period | - | 2.5 | - | 2.5 |
| Total | - | 2.5 | 24.9 | 27.4 |
| Transactions recognised directly in equity | | | | |
| Exercise of share options | 5.0 | (0.5) | - | 4.5 |
| Total | 5.0 | (0.5) | - | 4.5 |
| Balance at 31 March 2016 | 670.5 | (19.0) | 416.9 | 1,068.4 |

7 CHANGES IN COMPANY'S SHARE CAPITAL

Share Capital

During the first quarter ended 31 March 2017, the Company issued 470,000 new ordinary shares following the exercise of share options under the ComfortDelGro Employees' Share Option Scheme (ComfortDelGro Scheme).

As at 31 March 2017, the total number of issued shares was 2,157,321,663 (31 December 2016: 2,156,851,663).

Outstanding Shares – ComfortDelGro Employees' Share Option Scheme

As at 31 March 2017, options to subscribe for 12,570,000 ordinary shares (31 March 2016: 16,635,000 ordinary shares) remained outstanding under the ComfortDelGro Scheme.

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

As at 31 March 2017, the Company does not hold any treasury shares.

8 AUDIT

The financial statements have not been audited or reviewed.

9 AUDITORS' REPORT

Not applicable.

10 ACCOUNTING POLICIES

The Group has applied accounting policies and methods of computation in the financial statements for the current reporting period consistent with those of the audited financial statements for the year ended 31 December 2016.

In the current financial period, the Group has adopted all the new and revised Financial Reporting Standards ("FRSs") that are relevant to its operations and effective for annual periods beginning on 1 January 2017.

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

11 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

Not applicable.

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

Earnings per ordinary share

| | Group | |
|--|-----------------|-----------------|
| | 1st Qtr 2017 | 1st Qtr 2016 |
| (i) Based on weighted average number of ordinary shares in issue - cents | 3.83 | 3.41 |
| (ii) On a fully diluted basis (detailing any adjustments made to the earnings) - cents | 3.82 | 3.40 |

EBITDA

| | Group | |
|------------------------|-----------------|-----------------|
| | 1st Qtr 2017 | 1st Qtr 2016 |
| (i) EBITDA (\$'m) | 203.2 | 205.4 |
| (ii) EBITDA margin (%) | 20.9 | 20.6 |

13 NET ASSET VALUE PER ORDINARY SHARE

| | Group | | Company | |
|--|--------------|-------------|----------------|-------------|
| | 31 Mar 2017 | 31 Dec 2016 | 31 Mar 2017 | 31 Dec 2016 |
| Net asset value per ordinary share based on issued share capital - cents | 121.08 | 114.77 | 56.44 | 47.72 |

14 REVIEW OF GROUP PERFORMANCE

Performance Review

Group Revenue of \$972.0m for 1Q17 was \$23.6m or 2.4% lower compared to \$995.6m for 1Q16. The decrease was due to an unfavourable foreign currency translation of \$24.8m offset by an increase in the underlying business of \$1.2m. Of the unfavourable foreign currency translation, the weaker £ accounted for \$28.2m and the weaker RMB for \$2.1m offset by the stronger A\$ which accounted for \$5.5m. The increase in the underlying business was from increases in the Public Transport Services Business and the Driving Centre Business offset by decreases in the Taxi Business, the Automotive Engineering Services Business, the Inspection and Testing Services Business and the Car Rental and Leasing Business.

Group Operating Costs of \$871.5m for 1Q17 were \$14.7m or 1.7% lower compared to \$886.2m for 1Q16. While operating costs actually increased by \$8.4m, this was offset by the favourable foreign currency translation of \$23.1m. Of the favourable foreign currency translation, the weaker £ accounted for \$26.4m and the weaker RMB for \$1.5m partially offset by the stronger A\$ which accounted for \$4.8m. The decrease in operating costs was mainly from lower payments for contract services, lower repairs and maintenance costs, lower other operating costs, lower road tax, lower insurance premiums and accident claims and lower taxi drivers' benefits offset by higher depreciation, higher staff costs and higher fuel and electricity costs.

Group Operating Profit of \$100.5m for 1Q17 was \$8.9m or 8.1% lower compared to \$109.4m for 1Q16. The decrease was due to a drop in the underlying business of \$7.2m and an unfavourable foreign currency translation of \$1.7m.

Net Income from Investments of \$13.7m for 1Q17 increased by \$10.5m from \$3.2m for 1Q16 due mainly to the special dividends from Cabcharge Australia Limited. Finance Costs of \$2.9m for 1Q17 decreased by \$1.1m or 27.5% from \$4.0m in 1Q16 due mainly to lower interest expenses in Australia, the UK and Singapore with the repayment of borrowings and lower interest rates.

Share of Profit in Associate of \$1.7m for 1Q17 was the same as that for 1Q16.

Consequently Group Profit before Taxation of \$113.0m for 1Q17 was \$2.7m or 2.4% higher compared to \$110.3m for 1Q16.

Taxation for the Group of \$18.7m for 1Q17 was 16.5% of Group Profit before Taxation and was \$3.2m lower compared to \$21.9m or 19.9% of Group Profit before Taxation for 1Q16 as the dividends from Cabcharge Australia Limited are tax exempt.

Group Profit after Taxation of \$94.3m for 1Q17 was \$5.9m or 6.7% higher than the \$88.4m for 1Q16.

Group Profit attributable to Shareholders of the Company of \$82.5m for 1Q17 increased by \$9.1m or 12.4% compared to \$73.4m for 1Q16 from higher Group Profit after Taxation of \$5.9m and lower Group Profit attributable to Non-Controlling Interests of \$3.2m.

Group Profit attributable to Non-Controlling Interests of \$11.8m for 1Q17 decreased by \$3.2m or 21.3% compared to \$15.0m for 1Q16 due mainly to the elimination of the Non-Controlling Interest's 49.0% share in ComfortDelGro Corporation Australia Pty Ltd.

Revenue from Overseas for 1Q17 was 36.0% of Group Revenue compared to 37.8% for 1Q16. Operating Profit from Overseas for 1Q17 was 38.4% of Group Operating Profit compared to 41.0% for 1Q16.

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

Revenue from the Group's **Public Transport Services Business** of \$561.5m for 1Q17 was \$4.2m or 0.8% higher than the \$557.3m for 1Q16 from the actual increase in revenue of \$23.5m partially eroded by the unfavourable foreign currency translation of \$19.3m from the weaker £ offset by the stronger A\$.

Revenue from the Group's **Taxi Business** of \$314.6m for 1Q17 was \$19.1m or 5.7% lower compared to \$333.7m for 1Q16. The actual decrease in revenue of \$14.1m was compounded by an unfavourable foreign currency translation of \$5.0m from the weaker £ and RMB offset by the stronger A\$.

Revenue from the Group's **Bus Station Business** of \$7.5m for 1Q17 decreased by \$0.3m or 3.8% from \$7.8m for 1Q16 due to the unfavourable foreign currency translation of the weaker RMB.

Revenue from the Group's **Automotive Engineering Services Business** of \$73.7m for 1Q17 was \$11.4m or 13.4% lower than the \$85.1m for 1Q16 due mainly to the lower volume of diesel sold to our taxi drivers compensated by higher average selling price.

Revenue from the Group's **Inspection and Testing Services Business** of \$25.7m for 1Q17 was \$0.8m or 3.0% lower compared to \$26.5m for 1Q16.

Revenue from the Group's **Driving Centre Business** of \$10.3m for 1Q17 was \$0.3m or 3.0% higher than the \$10.0m for 1Q16.

Revenue from the Group's **Car Rental and Leasing Business** of \$8.7m for 1Q17 was \$0.7m or 7.4% lower than the \$9.4m for 1Q16.

Statement of Financial Position

The financial position of the Group as at 31 March 2017 remained strong. Total Equity decreased by \$136.5m from \$3,192.1m as at 31 December 2016 to \$3,055.6m as at 31 March 2017 due mainly to the payment for the acquisition of the remaining 49.0% interest in ComfortDelGro Corporation Australia Pty Ltd, partially offset by profits generated for the quarter and the negative goodwill from the acquisition of the 49.0% interest.

Total Assets decreased by \$174.5m to \$4,947.5m as at 31 March 2017 due to decreases in current assets by \$96.0m and non-current assets by \$78.5m. The decrease in current assets was due mainly to lower short-term deposits and bank balances following the payment for the acquisition of the 49.0% interest offset by higher trade receivables, arising mainly from timing differences on contractual payments due from the authorities. The decrease in non-current assets was due mainly to a decrease in vehicles, premises and equipment.

Total Liabilities decreased by \$38.0m to \$1,891.9m as at 31 March 2017 due mainly to the reduction in trade and other payables and lower long-term borrowings partially offset by an increase in short-term borrowings.

Cash Flow

The Group recorded a net cash outflow of \$140.1m for 1Q17 following the payment for the acquisition of the 49.0% interest in ComfortDelGro Corporation Australia Pty Ltd. As at 31 March 2017, the Group had short-term deposits and bank balances of \$639.2m. After accounting for the borrowings of \$391.3m, the Group had a net cash position of \$247.9m. The Group's gross gearing ratio was 12.8% as at 31 March 2017 compared to 10.8% as at 31 December 2016.

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

No forecast or prospect statement has been previously disclosed.

16 GROUP OUTLOOK

Revenue from the Public Transport Services Business in Singapore is expected to be higher. Bus service revenue is expected to be higher this year with a full year contribution of revenue under the Bus Contracting Model compared to four months' contribution in 2016. Rail service revenue is 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 from the foreign currency translation effect of the weaker £.

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 to be 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 with the expected fall in business volumes.

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

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

17 DIVIDEND

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediate Preceding Financial Year

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

(c) Date Payable

Not applicable.

(d) Books Closure Date

Not applicable.

Geographical segmental information for 1st quarter 31 March 2017

| | Revenue | | Non-current assets* | | Additions to non-current assets* | |
|-------------------------|--------------|--------------|---------------------|----------------|----------------------------------|--------------|
| | 1st Qtr 2017 | 1st Qtr 2016 | 1st Qtr 2017 | 1st Qtr 2016 | 1st Qtr 2017 | 1st Qtr 2016 |
| | \$'m | \$'m | \$'m | \$'m | \$'m | \$'m |
| Singapore | 622.3 | 619.0 | 1,918.6 | 1,916.5 | 44.8 | 68.0 |
| United Kingdom/ Ireland | 199.6 | 228.5 | 425.0 | 448.2 | 1.5 | 2.5 |
| Australia | 101.6 | 91.1 | 787.5 | 759.4 | 4.5 | 1.2 |
| China | 46.0 | 54.1 | 318.7 | 345.6 | 6.4 | 4.4 |
| Vietnam | 1.9 | 2.3 | 11.7 | 13.5 | 0.1 | 0.9 |
| Malaysia | 0.6 | 0.6 | 4.3 | 5.2 | 0.1 | 0.1 |
| Total | 972.0 | 995.6 | 3,465.8 | 3,488.4 | 57.4 | 77.1 |

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

19 BREAKDOWN OF REVENUE

Not applicable.

20 BREAKDOWN OF TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE)

Not applicable.

21 INTERESTED PERSON TRANSACTIONS

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

22 CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the Listing Manual.

23 Negative assurance confirmation on interim financial results under SGX Listing Rule 705(5) of the Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the first quarter 2017 financial results to be false or misleading in any material aspects.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Yang Ban Seng
Managing Director/ Group Chief Executive Officer

BY ORDER OF THE BOARD

Chan Wan Tak, Wendy
Company Secretary

12 May 2017