

# COMFORTDELGRO

ANNUAL REPORT 2018



## OUR VISION

# To Be The World's Land Transport Operator Of Choice

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## OUR STRATEGIES FOR SUCCESS

### LOOK BEYOND THE HORIZON

- Innovate and be receptive to new ideas and opportunities
- Solve problems in a prompt and effective manner
- Anticipate and embrace change

### DO THE RIGHT THINGS - RIGHT

- Never take our eyes off the ball
- Deploy people and assets for value enhancement
- Admit and learn from mistakes

### GROW OUR TALENT BASE

- Set the performance bar above industry norms
  - Give credit where credit is due
  - Reward equitably
- 

## OUR CORE VALUES

### RESULTS ORIENTATION

#### We will:

- Set challenging and realistic goals
- Focus on results
- Identify and solve problems
- Have a sense of urgency and ownership

### INTEGRITY AND ETHICS

#### We will:

- Conduct our affairs in a manner consistent with the highest ethical and professional standards
- Engage in fair and honest business practices
- Show respect for each other, our customers, business partners, suppliers, shareholders, the authorities and the communities we operate in
- Communicate in a factual, honest and prompt manner
- Be open and transparent in our dealings
- Exhibit strong environmental stewardship

### COMMITMENT

#### We will:

- Anticipate our customers' needs and constantly upgrade ourselves to provide them with outstanding service
- Foster an environment of trust by engaging the communities we serve
- Reward our shareholders by delivering steady and sustainable results through growth in our businesses
- Care for our staff by providing a challenging environment with ample opportunities for growth and development. Build on staff capabilities through effective recruitment, training and career planning so as to develop their full potential. Promote teamwork, initiative and creativity
- Stay committed to the authorities by complying with regulatory requirements

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# GLOBAL FOOTPRINT

# 7

Countries

## United Kingdom

ABERDEEN / BARRY / BRIDGEND / CARDIFF  
DUNDEE / EDINBURGH / GLASGOW / INVERNESS  
LIVERPOOL / LONDON / NEATH / NEWPORT  
PERTH / PONTYPRIDD / STIRLING / SWANSEA

Total Investment  
**S\$440.5 million**

Total Operating Fleet Size  
**8,583**

Total Number of Employees  
**6,096**



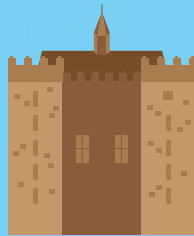
## Ireland

CORK / DUBLIN  
GALWAY / LIMERICK

Total Investment  
**S\$3.1 million**

Total Operating Fleet Size  
**25**

Total Number of Employees  
**17**



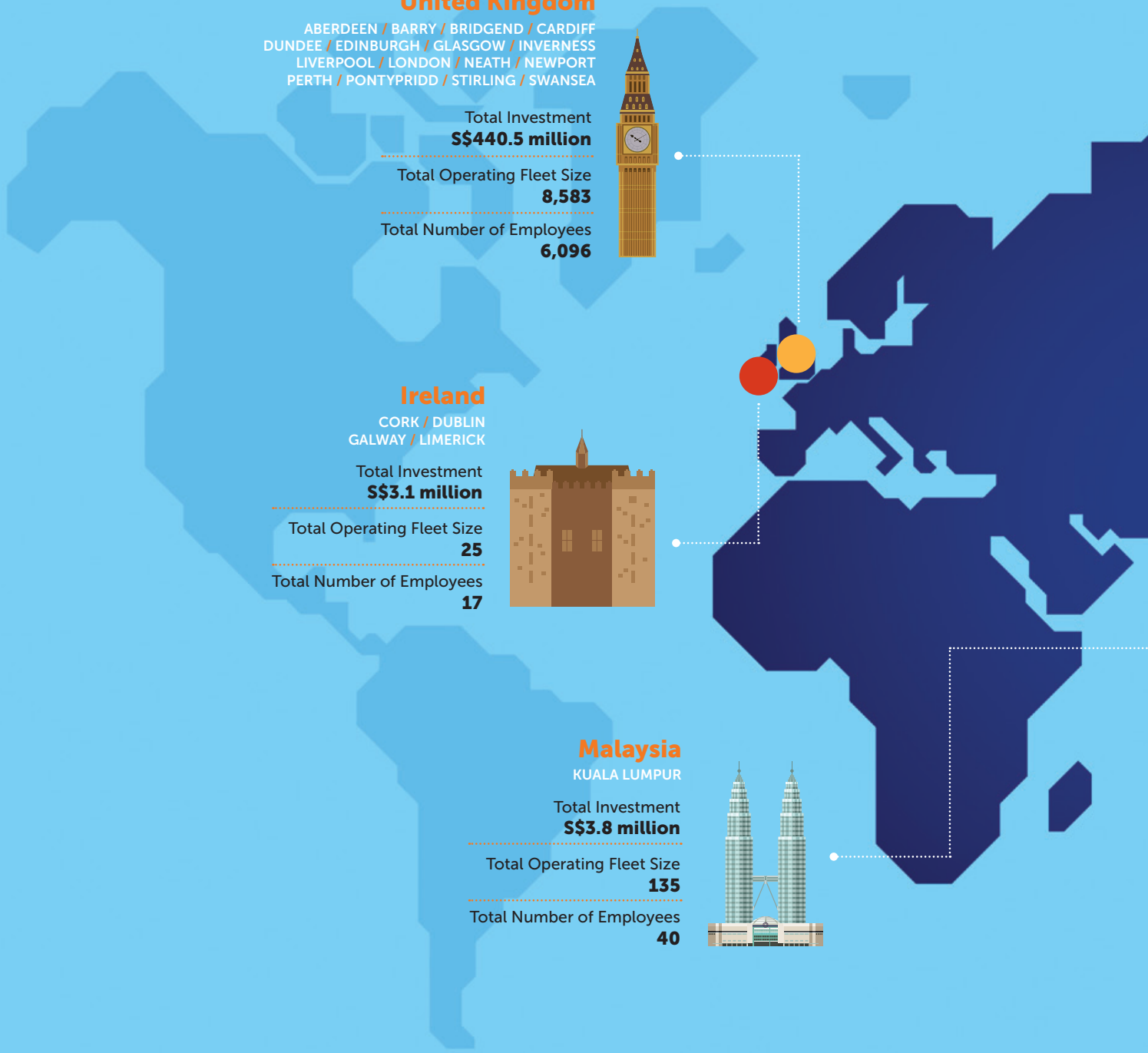
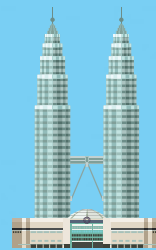
## Malaysia

KUALA LUMPUR

Total Investment  
**S\$3.8 million**

Total Operating Fleet Size  
**135**

Total Number of Employees  
**40**



# 61

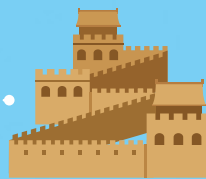
Locations

# 43,284

Vehicles

# 24,697

Employees



### China

BEIJING / CHENGDU / GUANGZHOU  
JILIN CITY / NANJING / NANNING  
SHANGHAI / SHENYANG / SUZHOU

Total Investment  
**S\$265.5 million**

Total Operating Fleet Size  
**11,302**

Total Number of Employees  
**815**



### Vietnam

HO CHI MINH CITY

Total Investment  
**S\$11.5 million**

Total Operating Fleet Size  
**240**

Total Number of Employees  
**101**

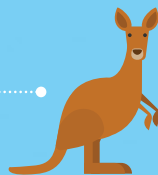


### Singapore

Total Investment  
**S\$428.2 million**

Total Operating Fleet Size  
**18,805**

Total Number of Employees  
**13,823**



### Australia

ALICE SPRINGS / BALLARAT / BLUE MOUNTAINS  
BROKEN HILL / CANBERRA / COFFS HARBOUR / DARWIN  
EDGEWORTH / GEELONG / GLADSTONE / GRAFTON  
JABIRU / MELBOURNE / MILDURA / MORISSET / NARRABRI  
PARRAMATTA / PENRITH / PERTH / QUEANBEYAN / SAWTELL  
SINGLETON / SUNSHINE COAST / THORNTON / TORONTO  
SYDNEY / WEE WAA / WOOLGOOLGA / YASS

Total Investment  
**S\$1,135.9 million**

Total Operating Fleet Size  
**4,194**

Total Number of Employees  
**3,805**

## CHAIRMAN'S STATEMENT

**S\$3,805.2 million**

**Total Revenue**

**2018 would go down in the history of the Group as an Australian Year.**

### INTRODUCTION

The major disruptions to our business environment that I wrote about in my last Statement in 2017 continued into 2018. In fact, these have been enhanced and are now firmly entrenched, becoming part and parcel of the New Normal.

I have also highlighted to Senior Management in my annual January 2019 address to them that they need to pay close attention to the key issues of politics; Artificial Intelligence (AI) and Information Technology (IT), which are major emphases of the Fourth Industrial Revolution; the emergence of new vehicle manufacturing modes; and of course, matters affecting our Shareholders. I have also highlighted important changes in directorships which will have an impact on the Group as a whole. My message is this: Urgent attempts must be made to know, understand and appreciate these disruptions and concrete steps must be taken to tackle them appropriately and swiftly.

The severe trade tensions between the United States of America (USA) and the People's Republic of China (PRC) are weighing down on global business sentiment and have serious implications on world economic growth. Trade is

now politicised. We can expect further fallout from the approaches adopted by the two leading powers in their 2017 "America First" and 2015 "Made in China 2025" policies. The uncertainty of Brexit, coming close to its deadline of 29 March 2019, is also another area of concern for us. Currency fluctuations in our major overseas locations in respect of Sterling Pound (GBP), Australian Dollar (AUD) and Chinese Renminbi (RMB) are a constant area of worry.

### LAND TRANSPORT

Electric vehicles or EVs continued to be under active discussion, review and development in 2018. We had a good discussion with the Smart Nation and Digital Government Office, a unit of the Prime Minister's Office, Singapore, on the future of autonomous vehicles or AVs. We also noted that Dyson Ltd, a British firm, had announced its intention to set up a plant in Singapore to manufacture EVs and SP Group planned to roll out 1,000 charging stations by 2020. At the same time, AVs will be put on trial in new housing estates in the future as we move towards a car-lite society.

Management continued to keep close tabs on the subject with visits to EV production plants (BYD Auto Co., Ltd and Zhengzhou

**Lim Jit Poh**  
Chairman





Yutong Bus Co., Ltd) in China as well as one to EasyMile Pte Ltd in Toulouse, France, on AVs in 2018. These followed a visit in 2017 to the Volvo facility in Sweden.

The Group adopted EVs in different geographies and vehicle types. In London, Metroline Limited now runs normal scheduled routes with EVs while in Singapore, the Land Transport Authority (LTA) has awarded contracts to buy electric buses while trialling some routes with hybrid (diesel/electric) buses. The Group is also testing a few electric taxis in Singapore.

Management has also announced its efforts in partnering EasyMile and Inchcape Singapore to run an autonomous shuttle bus service on a 1.6km route in the National University of Singapore's Kent Ridge Campus. This is our third experiment in AVs, following two under SBS Transit Ltd in Sentosa and Jurong Island with ST Engineering. Our intention for these trials is to gain some experience in managing AVs.

Our intended purchase of Uber Technologies Inc's private hire business was aborted following a ruling by the Competition and Consumer Commission of Singapore on the Grab and Uber merger. Grab is now the main player in the ride hailing sector. Hopefully, the entrance of GOJEK will not bring in another round of fierce competition witnessed earlier between Grab and Uber. As mentioned in my Statement last year, the taxi and private hire business environment has reached some degree of stability following some rulings by the Authorities on the latter to partially level the playing field. It is hoped that with the recent public consultation sought by the LTA on proposed changes to regulations for the point-for-point transport sector, these moves would further level the business conditions. We shall accordingly submit our suggestions.

In the Annual Public Transport Customer Satisfaction Survey, released by the Public Transport Council (PTC), the overall satisfaction score for bus services remained at 7.9, similar to the previous year. However, the percentage of respondents satisfied with the services increased to 98.0%, up from the 96.7% in the previous year. The overall satisfaction score for rail was 7.9, an improvement from 7.5 in the previous year. The percentage of respondents satisfied with the services saw an increase from 91.8% to 97.8%. Notably, our rail overall satisfaction score compared with the industry's was a tad higher at 8.0 and with the percentage of respondents satisfied with the services at 98.3%. The Mean Kilometre Between Failure (MKBF) set at a high level from 300,000 train-km in 2017 to 1 million train-km by 2020 has been reached very satisfactorily in 2018. Our two lines have, in fact, done very well, with the North East Line (NEL) and the Downtown Line ranking as number one and two respectively with figures of 1.37 million and 0.93 million respectively.

Transport fares, as announced by the PTC, increased by 4.3% from 29 December 2018 after reductions in the last three years. This is a result of the new fare formula for the 2018-2022 Fare Review Period. The new formula made revisions to the wage and price index weightages, productivity extraction factor, and introduced a new component called Network Capacity Factor to track capacity provision in relation to passenger demand. The new formula is more reflective of changes in operating costs and network capacity.

Other attempts to improve delivery services in reliability, convenience and security continued to be rolled out by the LTA and the operators. These include free Wi-Fi on buses and security checks at stations – much like those already in place in airports. The LTA also actively solicited views and gathered feedback from the public and industry stakeholders on its 2040 Land Transport Master Plan.

## CORPORATE GOVERNANCE

### (i) Code of Corporate Governance ('Code')

The revised Code or Code 2018 was announced in August 2018. As expected, the significant changes touch on shifting some of the guidance points from "Comply or Explain" to "Listing Rules". In other words, these are now mandatory. I see no difficulty in us adopting them.

The other major issue is the Nine-Year Rule for independent directors in which I think we should also have no difficulty in complying.

## Revenue At A Glance

Singapore	<b>\$2,241.4 million</b>
—	
United Kingdom	<b>\$867.0 million</b>
—	
Australia	<b>\$503.4 million</b>
—	
China	<b>\$163.5 million</b>
—	
Ireland	<b>\$24.0 million</b>
—	
Vietnam	<b>\$3.3 million</b>
—	
Malaysia	<b>\$2.6 million</b>

## CHAIRMAN'S STATEMENT

ComfortDelGro Corporation Limited and our listed subsidiary, VICOM Ltd, achieved high scores of 100 points each in the Annual Governance and Transparency Index Survey 2018 while the other listed subsidiary, SBS Transit, had a score of 84. These scores were well above the average of 56.3. All the three companies were still in the top 7% of the 589 listed entities in 2018. For ComfortDelGro, it was an improvement from 25th to 17th position while VICOM moved from 16th to 17th. For SBS Transit, it slipped from 32nd to the 40th spot. The marked improvement in ComfortDelGro was probably due to our efforts in initiating director renewals and disclosing remuneration on a named basis although these were also done by SBS Transit and VICOM.

In the ASEAN Corporate Governance Scorecard for rankings among 100 largest Singapore companies, ComfortDelGro ranked 18th (2017: 25th). SBS Transit and VICOM, which were not even ranked in 2017, came in the 29th and 32nd positions respectively in 2018.

### (ii) Singapore Stock Exchange (SGX)

The long anticipated Dual Listing of shares became a reality in 2018. Safeguards have also been put in place by the Authorities to avoid abuse. However, we will not opt for the system.

Quarterly reporting, which started in 2003 and applied to companies with an initial market capitalisation of S\$20 million and then revised to S\$75 million, continued to be a subject of discussion and consultation. The European Union and the United Kingdom (UK) had abolished quarterly reporting in 2013 and 2014 respectively while Hong Kong (HK) never had such a practice.

Shareholder conduct at Annual General Meeting (AGM) is becoming an issue of public interest. The Securities Investors Association of Singapore (SIAS) and the Singapore Exchange (SGX) are in the process of preparing a document outlining guidance on conduct at AGMs. We face no issues with our Shareholders at our three AGMs.

As sustainability is now an important subject requiring a report by listed companies, we have decided to appoint a Group Chief Risk & Sustainability Officer (GCRSO) even though we have already produced the annual Sustainability Report for the last

three years with assistance from external consultants. We have also appointed a new Director in January 2019 with expertise in sustainability. We therefore place the subject as a top priority in our business strategy.

A new securities settlement and depository framework was introduced on 10 December 2018 by the SGX in which settlement cycles were reduced from three to two trading days. Companies with good corporate governance practices and compliance track records can now enjoy fast-tracked approval for certain corporate actions such as prioritised clearance for selected corporate-action submissions (circulars, request for waiver and applications for share placement). All our three listed companies qualified under the programme.

### (iii) Diversity Action Committee (DAC)

Our female director participation rate in our three listed companies is high. We have already achieved the target set by the DAC of 20% by 2020. Our percentages are 20% each for ComfortDelGro and SBS Transit, and a higher 22% for VICOM. The percentage for Singapore's top 100 primary-listed companies in general has increased to 15.2% from 10.8% in 2017. In January 2019, DAC has been renamed Council for Board Diversity which now covers not only boards of listed companies but also organisations in the public and people sectors including non-governmental bodies, voluntary welfare groups and charities.

### (iv) Singapore Institute of Directors (SID)

The Singapore Directorship Report 2018 is the third edition following its inception in 2014. A total of 737 listed entities were covered in the Report. The issues of director independence, gender diversity and disclosure of remuneration of directors and senior staff were the emphasis. We continue to use the report findings to benchmark our Directors' fees.

Our non-executive Directors constitute a majority in the compositions of our Boards. This contrasts with the 23.2% of listed firms that were not in compliance. While close to 51% of the surveyed companies have an Executive Chairman, we belong to the minority group. We also belong to the category of 33.2% of companies which release their directors' remuneration on a named basis. While more than 75% of directors attended 75% or more of board

meetings, our percentages are extremely high with ComfortDelGro at 97%, SBS Transit at 98% and VICOM at 100%. On gender diversity, it is discovered that more than 50% of the boards continue not to have any female representation, 34.9% have one female director while 14.4% have two or more women directors. ComfortDelGro now has three female Directors and SBS Transit and VICOM have two each. Soon, they too will have a third.

### (v) Corporate Awards

In the Singapore Corporate Awards 2018, ComfortDelGro won the Bronze Award for Best Investor Relations in the Big-Cap Category.

At the 19th SIAS Investors' Choice Awards 2018, VICOM was the Winner of the Singapore Corporate Governance Award for the Mid-Cap Category as well as Runner-Up in the Most Transparent Company Award in the Services Category.

### (vi) Audit and Risk Committee (ARC)

I continued my practice of meeting up with the three Chairpersons of our ARCs with the External Auditors in the absence of Management. The respective ARCs also met up with the External Auditors without the presence of Management. Generally, the External Auditors are happy with our staff in providing the needed information and necessary assistance in the course of their work.

In 2018, the Internal Audit (IA) Department conducted 30 internal audits. Ten of the internal audits were confined to our overseas entities.

### (vii) Investor Relations (IR)

Our IR Unit continued to have a busy year in 2018. There were 103 one-on-one office meetings and conference calls with 90 funds and 13 groups of analysts/institutional sales personnel. We attended nine investor conferences and non-deal roadshows in Singapore, Kuala Lumpur, HK, Taipei and Tokyo. Fifteen research houses covered our stocks and produced 190 reports.

The major issues raised by the analysts and investment community pertain to capital management, Singapore bus, rail and taxi businesses, overseas operations and group growth. Feedback from these occasions is very useful to Management in planning



the Group's strategies and future direction. These bore out well when we comfortably obtained Shareholders' approvals for our Share Performance Scheme and the Share Buy-Back Scheme at the 2018 AGM.

Our effective and tested approach in meeting and responding to our Shareholders and investing public continued to be transparent and prompt. We posted announcements on the SGX without fail. Media releases were also issued for major or significant announcements and these were also put up on our websites.

Our loyal Institutional Shareholders continued to own a substantial portion of our shares with 24% from North America, 14% from the UK, 11% from Asia (excluding Singapore). These numbers make up close to half of our total shareholdings. Singaporeans own 30% of the stock. The top 20 Shareholders hold a high 42% of our shares. This list is stable with 75% of the same names as in 2017.

We continued to be one of the 30 component stocks of The Straits Times Index (STI). Our share price outperformed the STI Index and the FTSE ST All-Share Index by 18.4% and 19.0% points respectively in 2018.

### (viii) Directors

The initiative to renew our directorships from the 2017 AGMs onwards continued in the 2018 AGMs with one Director retired in ComfortDelGro and two each in SBS Transit and VICOM. In the 2019 AGMs, one Director each from ComfortDelGro and SBS Transit will retire. None will be from VICOM. By then, we will have four Directors in ComfortDelGro, two in SBS Transit and two in VICOM who still have nine or more years of service. It is expected that by 2022, there will be no more Directors with nine or more years in tenure. Also by the end of the 2019 AGMs, 10 out of the original 22 Directors in the three Boards or 45% within three years would have retired.

In 2018, we brought in six Directors (two each for the three Boards) including three retired Permanent Secretaries (one for each Board). The appointments of these six Directors have strengthened the three Boards, each of them bringing to the respective Boards valuable perspectives and insights from their professional and specialist knowledge and vast experiences, which are of relevance to our business, including our Companies' dealings with external entities, including our business

partners and the public sector. A year earlier, we brought in three female Directors (one for each Board) in specialised areas. It is likely that in 2019, we will bring in another three female Directors (one for each Board). By then, we will have three female Directors each in our three Boards. Our female representation is high compared to other companies and well ahead of the DAC's targets.

The three new female Directors who are joining us in 2019 have very diverse skills. We have already appointed a sustainability expert for ComfortDelGro and will be appointing one from mainstream media for SBS Transit and another with expertise in food testing technology for VICOM.

Our Boards are made up of Directors with expertise and proficiency in AI, IT, engineering, legal, accounting and finance, international business and business management. There is also diversity in terms of gender, age, high level governmental experience and strong relationships with the labour movement.

Training of Directors continued wherever necessary. The Code 2018 requires all new directors appointed in 2019 to undergo compulsory training if they have never been listed company directors before.

### SINGAPORE BUSINESSES

In 2018, we continued to have eight business interests in Singapore. These are (i) public transport services (bus and rail), (ii) taxi, (iii) engineering and sale of fuel, (iv) vehicle testing and non-vehicle testing services, (v) car rental, (vi) driving education, (vii) vehicle and outdoor advertising and (viii) insurance broking.

In Scheduled Bus, the LTA's tenders of all the four packages under the new Bus Contracting Model had completed and we won two of them. This is an excellent performance. Arising out of this experience, SBS Transit had decided to establish a Bus Tender Committee to provide guidance on tender strategy and bid preparation. It is crucial that SBS Transit continues to win new and existing routes.

On 1 April 2018, the NEL and the Sengkang-Punggol Light Rail Transit systems transitioned to the New Rail Financing Framework where SBS Transit was granted a 15-year licence to operate the lines until 31 March 2033. Under this Framework, the LTA owns the rail assets and would pay for replacements and upgrades. SBS

Transit is responsible for operations and maintenance. In 2018, we also signed a Memorandum of Understanding with Taipei Rapid Transit Corporation with the aim of technical exchanges and training to strengthen our operations, engineering and maintenance capabilities. A more detailed report of our Public Transport Services appears in our listed subsidiary SBS Transit's Annual Report.

In Unscheduled Bus, we continue to run premium bus services licensed by the LTA, event bus charters and trips conducted for schools, companies and organisations. We made two acquisitions in 2018 with a total of 166 buses and 122 contracts. With our fleet size now at 373 buses, we are the biggest private unscheduled bus operator in the industry surpassing the second largest which has a reported fleet size of 250 buses.

We continued to be the leader in Taxi business with about 60% of the market as at the end of 2018. It is still our aim to venture into the private hire sphere despite our aborted deal with Uber. Cashless transactions are on the rise and we hit S\$390 million in 2018, a rise of 9% from 2017. With improvements in our taxi mobile applications (app), the number of call bookings has also increased by 7.4% to 30.9 million. We are of the view that the competition between taxi and private hire will stabilise with each catering to its own niche.

The decline in taxi fleet has affected our Engineering Services business even though there is an increase in private engineering demand. In selling fuel to our taxi hirers, we have started offering petrol as a result of having hybrid vehicles in our fleet. We have also installed an electric charging station in our premises as a trial for EVs.

The Car Rental business continued to do well in its corporate niche but it is expanding into the private hire sector. Driving Education continued to do well and it will soon have a longer tenure to its training circuit. Vehicle Advertising, which has been constrained by the LTA's advertising guidelines, has been coming out with new innovative advertising solutions for its customers. The digital wave continues to pose a challenge to our advertisers. We continue to look for creative avenues.

The Insurance Broking business has also been affected by the reduced taxi fleet and better premiums as a result of lower

## CHAIRMAN'S STATEMENT

accident claims. However, it has expanded its sphere of activities to assist operations in setting up claim units, both locally and abroad.

In Vehicle Testing, we continued to be the leader with close to 75% of the market share. The Non-Vehicle Testing division continued to face challenges in the industrial sectors which are not growing like oil and gas and construction. More details of these two business areas appear in our listed VICOM Limited's Annual Report.

2018 was a good year in Singapore for the Group. We shall continue to provide efficient, reliable and safer services to our faithful and loyal commuters. We shall also look for opportunities for growth especially in the difficult Private Hire and Unscheduled Bus markets where we believe we can continue to have a significant role to play.

### OVERSEAS BUSINESSES

#### (A) Developments

In 2018, we continued to operate eight business areas like in 2017. Except for Rail and Insurance Broking, all our business interests in Singapore have been replicated overseas. We also operated the Bus Station business in China. The number of overseas countries also remained unchanged but we expanded our footprint in Australia. The overseas countries where we had operations in 2018 were the UK, Australia, PRC, Ireland, Vietnam and Malaysia in order of the size of investment.

Our presence in Vietnam and Malaysia continued to be small. 2018 would go down in the history of the Group as an Australian Year. Not only did we venture into the adjacent business of Ambulance Service for Non-Emergency Cases, we are now in four out of six states and one out of two territories in the Australian Continent. Our goal is to find business in the remaining states of South Australia and Tasmania as well as the Australian Capital Territory.

In Australia, we acquired a total of four bus companies in 2018. Two of them are in Sydney (Forest Coach Lines and Coastal Liner Coaches), one in Melbourne (Tullamarine Bus Lines Pty Ltd), and the last one (Buslink Group) is spread across eight locations in Sydney, Melbourne, Queensland and Northern Territory. The adjacent business of Ambulance Service for Non-Emergency Cases is managed

under National Patient Transport Pty Ltd. It is based in Melbourne but has business interests in Melbourne, Sydney and Perth.

Other than those reported in last year's Statement including those which occurred after the year end, we also acquired the assets, liabilities and contracts of Dial-A-Cab Limited in London thereby growing and strengthening our Computer Cab plc's position in London as the leading taxi circuit operator.

In PRC, we entered into a joint venture agreement to form a new driving school equity joint venture in Nanjing. Our shareholding is 60%.

#### (B) Operations

##### (i) United Kingdom

We have four business interests in the UK. They are Scheduled Bus, Coach, Taxi Circuit and Private Hire. Our Scheduled Bus business in London continued to perform satisfactorily. We maintained our second position among large scheduled bus operators with a market share of 18.5%, falling behind The Go-Ahead Group plc, a British company, which has 22.6%. Those behind us are Arriva Plc (German company), Stagecoach Group plc (British company), the RATP Group (French company), Abellio UK (Dutch company) and Tower Transit (Australian company). We operated 101 routes with 1,710 buses and 4,369 drivers coming from 68 countries. The UK's fleet size is about 49% of Singapore fleet.

We operated a full fleet of EVs on one of our routes during the year and will be operating two more in 2019. We also commenced operations of 23 zero-emission single deck buses during the year under review.

Our Coach business operates in London, Wales and inter-city between Scotland and London. It is performing satisfactorily. The Taxi Circuit business is facing challenges with the abundance of private hire vehicles. We are now operating three taxi circuits in London, Liverpool and Aberdeen. We retained our Taxicard and Dial-a-Ride contract in London for a period of 3+1 years effective from 1 October 2018. The Private Hire business is facing tough challenges because of our small fleet but at times, it complements our Taxi Circuit business.

##### (ii) Australia

We operate four business interests in Australia namely Scheduled and Unscheduled Bus, Taxi and Taxi Circuit, Ambulance Services and Vehicle Advertising. Our Scheduled and Unscheduled Bus services, including school contracts and charter services, are doing well. With the acquisitions of the four new bus companies in 2018, we are now the leading private operator in Australia. The combined fleet of 2,022 vehicles in Australia is larger than that of the UK but represents only about 58% of the Singapore fleet.

The Taxi and Taxi Circuit businesses are performing satisfactorily although they are facing challenges. With the de-regulation of the taxi licence plates in some parts of Australia especially Perth and Melbourne, there is scope for the Group to expand this business with our Singapore-style taxi model.

The business of Ambulance for Non-Emergency Cases is comparatively new to us. It gives the Group an opportunity to expand into an adjacent business. It is my hope that we can develop and expand further to other states when opportunities present themselves now that we are in practically every corner of Australia. Vehicle Advertising continues to do well.

##### (iii) China

The Group has five business interests in China. Taxi dominates the others like Bus Station, Car Rental, Vehicle Testing and Driving Education. In the course of 2018, we ceased to run the Vehicle Testing business in Beijing and Chengdu. The former was due to the Authorities taking back the land while the latter was due to a change in regulations making the business non-viable. Changes in the rules of Driving Education in Chengdu also presented tough challenges. Car Rental was also facing difficult challenges. The remaining two business interests namely Taxi and Bus Station continued to do well.

We continued to operate in nine cities with 11,510 taxi licences in 2018. We are still a major foreign taxi operator in China where we command leading positions in Shenyang, Nanning and Jilin, are second in Chengdu, third in Beijing, and fourth in Nanjing. Against the Singapore fleet, the Group's combined number of taxi licences in China in 2018 represented about 91% of Singapore's size. The Bus

Station business in Guangzhou continued to perform to satisfaction. The continual challenge would still be the fast roll-out of the high speed trains.

#### (iv) Ireland

The Coach operations in Ireland continued to do very well with its seventh year of consecutive growth after its turnaround in 2012. Fare increases were successfully implemented on some routes and digital and online marketing was further intensified. We also improved on-board facilities with the introduction of upgraded Wi-Fi.

#### (v) ASEAN: Vietnam and Malaysia

Our operations in Vietnam and Malaysia are very small. We have a Taxi business in the former and a Car Leasing business in the latter. The extensive presence of private hire vehicles and tech apps in Ho Chi Minh City is making the Taxi business very difficult to operate coupled with the uncertainty in regulations. Malaysia's Car Leasing business is stagnant with a comparatively weak economy. The business, however, is still profitable.

### MANPOWER

Our global manpower strength in 2018 was 24,697. This is 12.7% higher than 2017. This increase is expected as we made substantial acquisitions in the year under review. Correspondingly, our daily wage bill is now of the order of S\$4.537 million, which is still a sizable portion of our expense item. The Group has a good global mix of nationalities with 29% of our staff being Singaporeans compared to 30% a year earlier. Malaysians have a representation of 21%. The proportion of our employees who are Australians is now 15% while that of British has declined to 10%. China nationals also form a sizeable 7%. These five nationalities constitute 82% of our workforce.

The Group has set up a new Transformation Office to better face the disruptions of today and tomorrow. For better alignment of business strategies and nimbleness, we have also restructured our China operations with the appointment of a Head for China covering all the four regions: North, South, East and West. With the Group placing even greater emphasis on the quality of its risk management and sustainability programmes, the post of GCRSO has been created.

Our integrated talent development and management framework will continue to be the focus of the Remuneration Committee as we transform ourselves in light of the numerous challenges and uncertainties ahead.

### INFORMATION TECHNOLOGY

The Group continued to leverage on mobile technology to enhance internal productivity and deliver customer service excellence. In view of competition from third-party booking platforms, the Group continued to significantly invest in taxi booking mobile app to include new functionalities and to enhance user interface with the aim of providing a better and frictionless customer experience.

To strengthen our presence in the Unscheduled Bus business, the Group has developed and implemented on-demand commuter bus booking mobile app in both Sydney and Singapore to pilot the on-demand bus service.

The Group has also initiated a few pilot projects utilising data science to extract knowledge and insights from data to building prediction models for vehicle maintenance, real-time taxi demand hotspots and taxi driver churn.

The Group spent S\$26.3 million in capital expenditure and S\$30.2 million in operational expenditure in 2018 or a total of S\$56.5 million. This was about 1.5% of Group Total Revenue. It was also 49% higher than 2017.

### FINANCE

Management generated a Group Total Revenue of S\$3,805.2 million in 2018, 6.4% higher than 2017. This is encouraging under such a difficult environment. If not for the huge investment made in 2018, Group Total Revenue would be up from 2017 by 2.9%. Group Operating Profit was S\$438.8 million, 7.2% higher than 2017. Again, had it not been for the big expansion in 2018, the figure would be S\$418.1 million which would be higher than 2017 by 2.2%. The margin of 11.5% was indeed commendable under such adverse global situations. Overseas revenue was retained at an admirable 41.1% of Group Total Revenue while overseas operating profit would drop by 4.8% points to 35.6%. This is still a respectable figure.

The two leading revenue generators continued to be the Public Transport Services, defined as Bus and Rail as well as the Taxi Sector. The former contributed a high 71.3% of Group Total Revenue, coming from Singapore, the UK, Australia and Ireland. The Taxi Sector's contribution was 19.1%, drawn from Singapore, PRC, Australia, the UK and Vietnam. Together, these two business interests contributed 90.4% of Group Total Revenue (2017: 89.6%). Compared to 2017, the Public Transport Services Sector had a gain of 4.2% points while the Taxi Sector had a fall of 3.4% points.

Not surprisingly, the same two business sectors contributed to the bulk of the Group Operating Profit with Public Transport Service's share at close to half of Group Operating Profit at 49.3% while the Taxi Sector's portion was 29.5%. When combined, their contribution was 78.8% (2017: 76.7%). There is a shift in terms of contributions with Public Transport Service gaining a 5.3% points and Taxi Sector declining by 3.2% points when compared against 2017.

Group Profit Before Tax was S\$439.3 million as compared to S\$425.4 million, a rise of 3.3%. Profit Attributable to Shareholders was S\$303.3 million compared to S\$301.5 million for 2017, a slight increase of S\$1.8 million or 0.6%. Adjusting for the one-off special dividend from Cabcharge Australia Limited (now renamed as A2B Australia Limited) in 2017 and the net gain on the surrender of lease of the property at Teban Gardens Crescent from VICOM in 2018, the profit after tax and minority interests (PATMI) for 2018 of S\$298.2 million would be S\$6.7 million or 2.3% higher than the PATMI of S\$291.5 million for 2017.

Earnings per share for 2018 was 14.01 cents, a slight increase from 2017 of 13.95 cents. The net asset value per share was 120.70 cents, slightly lower as compared to 121.01 cents in 2017. Returns to both equity and total assets in 2018 were 11.6% and 7.2% respectively (2017: 11.8% and 7.1%). These are still acceptable numbers in the current business environment.

Capital expenditure in 2018 was S\$352.8 million, lower than 2017 by 10.4%. It had declined significantly from the peak of S\$669.6 million in 2015.

Our Balance Sheet continued to look healthy. Total Group Assets of S\$5,136.7 million was 6.4% higher than 2017. Because of the record high acquisitions in 2018,

## CHAIRMAN'S STATEMENT

Total Borrowings were in the region of S\$569.9 million, a huge jump of 76.8% from 2017. The Group was still in a net cash position of S\$16.2 million compared to S\$273.9 million in 2017. The gross gearing ratio increased to 18.8% in 2018 compared to 10.6% in 2017. With further expansion expected in the coming years, it is anticipated that the gearing ratio will rise. The Board has set a limit to guide the Management.

With our earnings made in 2018, together with plans for future expansion, the Board of Directors is pleased to recommend a final higher tax-exempt one-tier dividend of 6.15 cents per share compared to the interim tax-exempt one-tier dividend of 4.35 cents per share. If approved by Shareholders at the AGM on 26 April 2019, the total dividend for the year 2018 would be 10.50 cents per share against 10.40 cents paid in 2017. This is creditable for the Group to reward its Shareholders appropriately while at the same time keep some finance to invest for the future.

The dividend payment in 2018 would represent 75% of our profitability (2017: 74.6%). This is more than the 50% announced by the Company publicly as its dividend policy. Against the year-end closing price of our shares at S\$2.15, the yield is 4.88%. This is reasonable and appropriate under the present difficult climate.

### SUSTAINABILITY REPORTING

To affirm the importance of having a sustainability strategy on our corporate agenda, we had in January 2019, appointed a Director well versed in this subject. At the same time, we created a GCRSO to manage this area, which is a top priority in our business pursuits. Like in the past three years, a separate Sustainability Report will be produced to accompany this 2018 Annual Report.

### TRANSFORMATION OFFICE

The Transformation Office was established on 23 May 2018 and we have recruited staff with a wide range of industry knowledge and domain expertise in areas like data science, technology, digital transformation, business operation and finance.

One data scientist has been deployed to Singapore Taxi business. The rest of the Team has been tasked to develop initiatives across four broad areas: (a) business and revenue models; (b) operations and

processes; (c) technology and intellectual property and (d) eco-system and partnerships.

A Corporate Venture Capital Fund of US\$100 million has been set up. The Fund will focus on incubation and investments in mobility technologies and solutions that complement the Group's land transport business and provide it with new strategic capabilities.

### APPRECIATION

Managing Director and Group Chief Executive Officer (MD/Group CEO) Mr Yang Ban Seng has continued to discharge his responsibilities and duties well. He has created the new Transformation Office and set up a US\$100 million Incubation Fund. He has expanded aggressively overseas and locally. He has reorganised the management structure to meet the new challenges and demands. He spent considerable length of time on staff identification, development and recruitment. The Board is very grateful for his drive and initiative to take the Group to the next level.

To continue our important task of renewing and refreshing our Board of Directors, Mr David Wong Chin Huat will retire at the forthcoming AGM. Mr Wong was appointed to the Board in 2003 shortly after its establishment. He has contributed significantly to our growth and development. I wish to thank him wholeheartedly for his numerous and valuable undertakings to help uplift the Group and place it on the global map.

We welcomed Mr Chiang Chie Foo and Professor Ooi Beng Chin as new Directors in 2018. Mr Chiang comes with many years of experience in the Singapore Civil Service, retiring as a Permanent Secretary, the highest echelon in the Civil Service. Amongst other contributions, he provides advice and counsel on our many dealings with the public sector when the need arises. Professor Ooi, a well-known authority in AI, brings to the table his extensive experience and expertise at a time where we are embarking on our digital journey. After the close of the financial year, we also welcomed Ms Jessica Cheam, an expert in sustainability as well as media, as a new Director. Together with existing expertise in the Board, we shall continue to be abreast of global developments as we grow the Group further.

I wish to thank Management and Staff, led by MD/Group CEO Yang Ban Seng for their untiring efforts and hard work in meeting new challenges and undertaking new tasks for the good of the Group. Together with our Stakeholders, we will continue to deliver prompt, reliable and safe journeys in all the transport modes in all the countries that we operate.

Our success will not be possible if not for the genuine understanding, cooperation and assistance of the Regulators and the Trade Unions. I thank all for their continued support throughout the years.

It is with extreme sadness that the Group mourned the demise of our Founding MD/Group CEO Mr Kua Hong Pak. We shall treasure and remember his legacy as we move on and face the challenges ahead.

We are fully prepared to face the uncertain and unpredictable world and the inevitable disrupted business environment. With foundation laid, we hope 2019 will be another successful year.

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**Lim Jit Poh**

Chairman  
March 2019

## YEAR IN REVIEW

# 20 18

New technologies are redefining the way transport services are being procured. Technological advances are changing the make-up of the vehicles that we, as a Group, so heavily rely on.

### THE PLAYING FIELD HAS CHANGED.

The Board, in reviewing the Group's investment strategy, has expanded the list of potential acquisitions to include projects with lower margins, with the proviso that they be profit accretive, offer a lower level of risk and are priced reasonably. It has also been decided that the Group should take a less conservative capital structure and move into a net debt position in order to fund growth.

## EXPANSION AND DEVELOPMENT

In 2018 alone, the Group made close to S\$0.5 billion in acquisitions, the most it has ever done so in a single year.

### Singapore

In Singapore, the Group, acquired the private bus chartering assets of AZ Bus Pte Ltd for S\$10.25 million in April 2018, which further strengthened its position as Singapore's largest private bus charter operator. The acquisition, which was conducted through ComfortDelGro Bus Pte Ltd, is one of the largest in the local bus charter industry to-date. It included existing charter contracts, 94 buses and associated drivers, increasing ComfortDelGro Bus' fleet to 300 buses. Including sub-contractors' buses, the total fleet is about 570 buses.

Three months later, ComfortDelGro Bus acquired the chartering assets of yet another private bus operator, Ric-Tat Travel & Coach Services Pte Ltd and its associated companies for S\$6.45 million. The acquisition included existing charter contracts, 72 buses and associated drivers, increasing its fleet to 372 buses and a total staff strength of 374. The total fleet, including sub-contractors' buses, was 722 buses.



## YEAR IN REVIEW

### Australia

The Group acquired National Patient Transport Pty Ltd (NPT) for about S\$30.2 million (A\$30.0 million) in April 2018, thereby expanding into the non-emergency patient transport services in Australia.

Set up in 1993, the Company is the largest private operator of such services in Australia, operating in Victoria, New South Wales (NSW) and Western Australia (WA) with a fleet of 144 vehicles. NPT offers a range of healthcare transport services to State Government ambulance utilities and directly to major metropolitan hospital networks including walker, hoist and stretcher transport services for high acuity and complex patients. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

ComfortDelGro strengthened its presence further in Victoria, Australia with the acquisition of Tullamarine Bus Lines Pty Ltd (TBL) for S\$32.7 million (A\$32.2 million). TBL, which operates seven bus routes under contract with Public Transport Victoria, was a family-owned bus company located close to Melbourne's

Tullamarine Airport in the north-west of Metropolitan Melbourne. Besides public buses, TBL operates contracted school services and a small taxi fleet management business.

On 7 August 2018, ComfortDelGro upped its game Down Under with a S\$115.9 million (A\$114.9 million) acquisition of Sydney's oldest privately-run family bus and coach operator – FCL Holdings Pty Limited, which runs Forest Coach Lines in Northern Sydney and regional NSW. It also acquired two freehold depot sites – the Terrey Hills Depot and the Toormina Depot – at a total cost of S\$15.56 million (A\$15.45 million) for the operation of the bus services.

For its fourth acquisition, the Group purchased the bus and coach assets of Coastal Liner Coaches which operates route bus services in Outer Sydney Metropolitan Bus Service Region 11. The S\$9.1 million (A\$9.0 million) acquisition is significant given it services a growing market of retirees and young families who are moving away from Metropolitan Sydney to the more affordable coastal region. The coastal operator has a fleet of 31 buses and coaches and also specialises in luxury coach tour packages for theatre performances, concerts and day tours for individuals and small groups.



In November 2018, ComfortDelGro capped the year with its largest single acquisition in Australia – a S\$192.5 million (A\$190.9 million) acquisition of Buslink, one of Australia's largest privately-owned bus businesses, comprising Buslink Pty Ltd, Buslink Southern Pty Ltd and their 11 corresponding depots. Significantly, it is the largest operator in the Northern Territory and a major service provider in Queensland.

Set up in 1988, Buslink operates in eight locations across four Australian states and territories with a fleet of 401 buses and a staff strength of over 500.

It services practically all of Darwin's school services and approximately 70% of Darwin's urban network. It also operates a sizeable business in Queensland and is based primarily in Sunshine Coast and Gladstone. Its service offerings comprise bus transportation for urban, school, special needs, employee transport, and charter services. In NSW, Buslink operates in Broken Hill, while in Victoria, it runs bus services in Mildura.

Following its aggressive expansion in Australia in 2018. The Group now operates in six states/territories – NSW, Victoria, Western Australia, Canberra, Northern Territory and Queensland – with a fleet of over 4,200 vehicles comprising buses, coaches, taxis and ambulances. It also offers outdoor advertising services.



## China

The Group acquired 217 taxi licences and vehicles from Shenyang Tian Wen Taxi Co., Ltd in February 2018, growing its fleet in the capital of Liaoning Province by close to a-fifth to 1,503 taxis. Costing S\$15.0 million (RMB71.6 million), the acquisition had further reinforced the Group's position as the largest taxi operator in Shenyang.

In July 2018, ComfortDelGro's wholly-owned subsidiary, ComfortDelGro (China) Pte Ltd entered into a joint venture agreement with Nanjing Qixia District Number 2 Passenger Transportation Co., Ltd and Nanjing Bulk Lifting and Transportation (Group) Co., Ltd to form an equity joint venture company known as Nanjing ComfortDelGro Xixia Driver Training Co., Ltd, which operates a fleet of 35 vehicles. Nanjing Qixia is an integrated transport enterprise engaged in driver training, vehicle repair and maintenance, bus chartering and real estate development. It is one of the oldest driver training schools in Nanjing and is highly regarded by the Regulators.

## United Kingdom

On 7 February 2018, ComfortDelGro expanded its bus and coach operations in the United Kingdom (UK) through the acquisition of New Adventure Travel Limited (NAT Group), one of the leading bus and coach operators in South Wales. This S\$25.0 million (£13.4 million) acquisition is the Group's first expansion of its bus operations outside of London.

In April 2018, the Group again expanded its operations in the UK through a S\$2.2 million (£1.2 million) acquisition of the business and assets of Dial-a-Cab Limited, which is a taxi circuit operator in London. The acquisition, undertaken by ComfortDelGro's wholly-owned subsidiary in the UK, CityFleet Networks Limited, has added another 1,100 black cabs to the circuit operated by Computer Cab plc, bringing the total fleet to 3,000.

## YEAR IN REVIEW

### BIRTH OF THE TRANSFORMATION OFFICE

In this age of disruption, transformation is key and a top priority for the Group.

In this new space, ComfortDelGro will have to harness the technologies that will enable transformation to take place, like data analytics, Artificial Intelligence (AI) and technology platform eco-systems, and develop its digital capabilities. The Group must invest for the future. Resources have to be future-ready and holistically focussed on business transformation and organisational transformation.

To this end, Management had, at the Board's initiative, arranged for four well-known international consultancy firms to engage Directors and key management personnel in looking at future business models. These sessions had given the Board and Management the necessary inputs to make important decisions and map out some crucial activities. The birth of the Transformation Office and the establishment of the US\$100 million incubation fund were direct outcomes of these engagements.



The Group Transformation Office (GTO) was officially set up on 23 May 2018. It is headed by the Group Chief Transformation Officer, and staffed by existing staff and new recruits, including a data scientist. The GTO is tasked to look at the challenges and come up with new and innovative solutions for them.

Transformation projects are new and unexplored, and although not every project will pan out successfully, it remains crucial that the Group has a presence in the future technologies arena and to gain the necessary experiences and know-how.

Projects that are being looked into include on-demand and mobility services. In our Unscheduled Bus business, the Group had developed and implemented on-demand commute bus booking mobile applications (app) in both Sydney and Singapore to pilot On-Demand Public Bus services. The Group has also partnered MaaS Global from Finland in a new service which aims to bring together all means of transport – taxi, bus, train, car rental and even bicycles.

Called "WHIM", the app gives commuters instant access to a variety of transport services based on subscription – essentially acting as the "Netflix of transport".

#### Autonomous Vehicles (AV)

ComfortDelGro is embarking on a trial of an autonomous shuttle bus service in real traffic conditions in the National University of Singapore's (NUS) Kent Ridge Campus – with a view towards a commercial roll-out if successful.

It marks ComfortDelGro's third foray into the AV sphere in Singapore. Its subsidiary, SBS Transit Ltd, is currently participating in two ongoing trials – in Sentosa and Jurong Island – where it is assisting in data collection, operations modelling and development.

The year-long autonomous bus shuttle operational trial – the first of its kind in Singapore by a transport operator – will involve ComfortDelGro, Inchcape Singapore, NUS and Toulouse-based EasyMile Pte Ltd. It will commence in 2019.







Similarly, since December 2018, SBS Transit has been involved in a six-month diesel hybrid bus trial with the Land Transport Authority (LTA).

In Singapore, ComfortDelGro Taxi put two fully-electric Hyundai Ioniq taxis on trial in July 2018. Unlike existing electric taxis here that take a couple of hours to charge, this electric Ioniq taxi – the first of its kind here – charges fully in just under 30 minutes. A fully charged electric Ioniq taxi travels more than 200km, but the cost of charging it fully is only a-third of the cost of diesel for the same distance.

In January 2019, ComfortDelGro expanded its EV trial with the latest Hyundai long-range fully electric vehicles. The Ioniq Hyundai Kona Electric taxi comes with a 64 kWh lithium polymer battery – twice the power of the battery of the fully electric Hyundai Ioniq. This means that this EV model is able to travel up to about 350km when fully charged. And, with Direct Current (DC) fast charging capabilities, the EV fully charges up in just slightly more than an hour.

To support the EV trial, ComfortDelGro became the first in Singapore to introduce Direct Current (DC) fast charging for Electric Vehicle for commercial use. The Terra 54 CG charging station, which is operated by the Group’s wholly-owned subsidiary ComfortDelGro Engineering Pte Ltd in partnership with global EV charging software and solutions provider, Greenlots, promises a full charge up in as little as 30 minutes.



**Electric Vehicles (EV)**

Another significant trend in the transport industry is the roll-out of cleaner, less pollutant vehicles – namely electric, hybrid, fuel cells or compressed natural gas (CNG).

Car manufacturers are responding to this demand by going electric or hybrid in their new models. They are also promising that their vehicles can travel for comfortable distances in between charging.

In London, we unveiled the world’s first fully-electric double deck bus in 2016. Five of these buses, which can travel for 306km between charges, are already operating on Metroliner’s Route 98 in London, which runs between Willesden Garage and Holborn.

## YEAR IN REVIEW

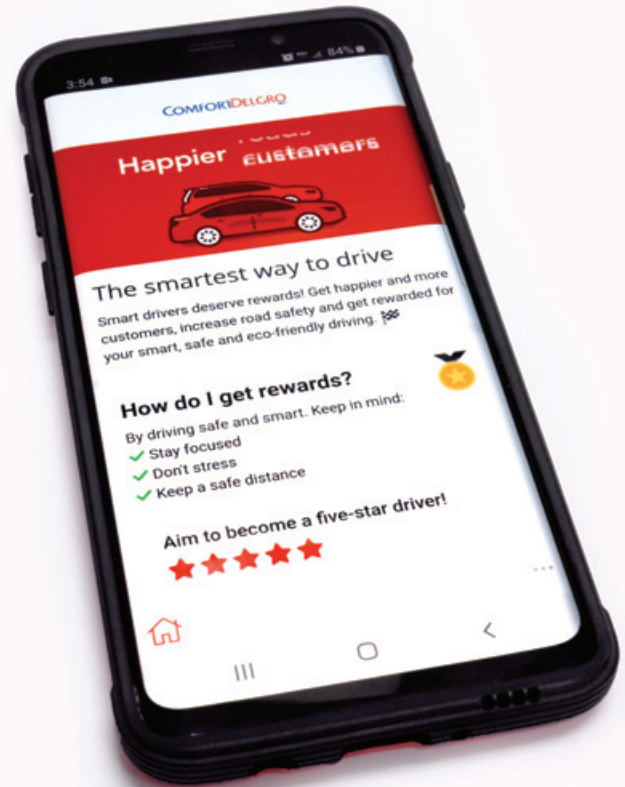
### Telematics Solution

Telematics solutions are not new to the Group.

SBS Transit currently uses SAfe Green Eco System (SAGE), which provides real time feedback through audio and visual alerts upon detecting events such as harsh braking or harsh acceleration. Its "Golden Eye" system, on the other hand, features an AI Box that sends visual, audio and even haptic alerts to Bus Captains via a display unit on board the buses if signs of fatigue and distractions are detected.

The Group's Bus business in London, Metroline, has also been using two fleet safety systems, including GreenRoad, for the last five years.

In Singapore, ComfortDelGro trialled advanced telematics devices in 100 of its vehicles, including taxis, private buses, rental vehicles and "learner" cars in November 2018. Data collected by these solutions will be used to help ComfortDelGro's drivers achieve safer and smarter driving habits. Taxi drivers will, for example, be able to get real-time feedback on their driving patterns on a cell phone or tablet, while learner driver instructors will be able to assess the performance of their trainees in detail.



### INCUBATION FUND

On 9 November 2018, ComfortDelGro announced the set up of a US\$100 million corporate venture capital fund that focusses on incubation and investments in mobility technologies and solutions to complement the Group's land transport business whilst providing it with new strategic capabilities.

Called ComfortDelGro Capital Partners (CCP), the Fund will invest in technology start-ups that plug technology gaps, and address the impact of disruptive challenges to the Group's core land transport business.

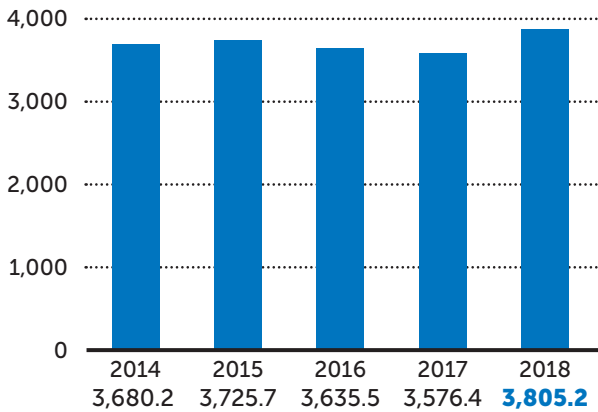
The global Fund, which will be managed at arms-length basis with its own set of decision-making, approval and funding processes, will focus on next-generation mobility companies raising their seed stage Series A or Series B funding rounds.

The Fund will enable the Group to pursue long cycle opportunities in selected technology start-up companies whilst it continues to pursue immediately profit-accretive investments.

## GROUP FINANCIAL HIGHLIGHTS

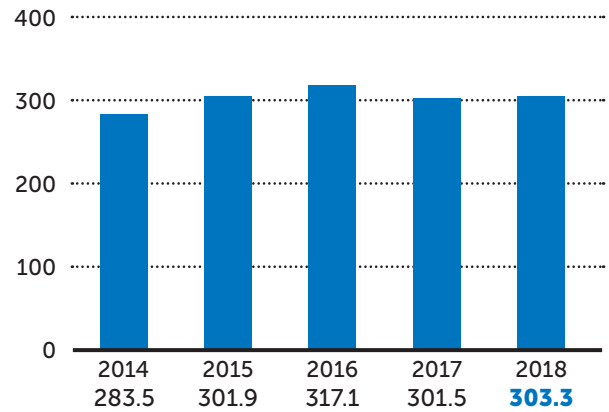
### Revenue

(S\$'mil)



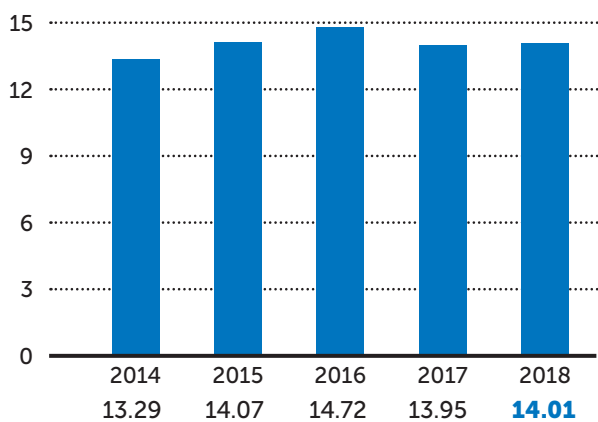
### Profit Attributable to Shareholders

(S\$'mil)



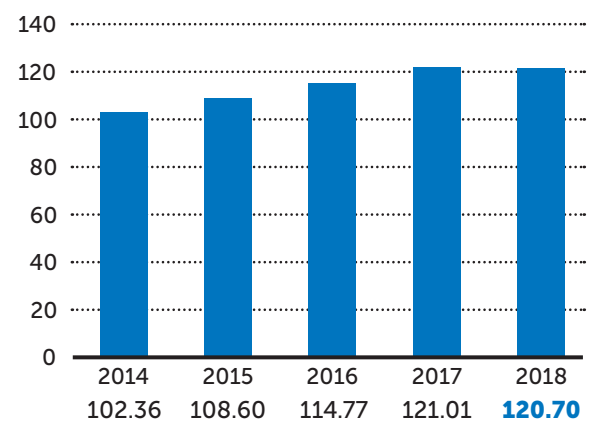
### Earnings Per Ordinary Share

(cents)



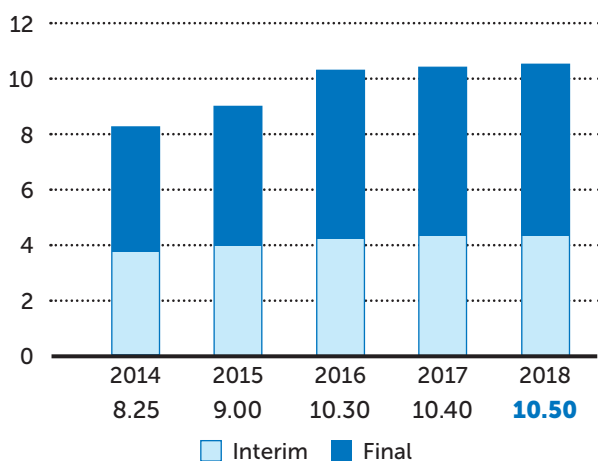
### Net Asset Value Per Ordinary Share

(cents)



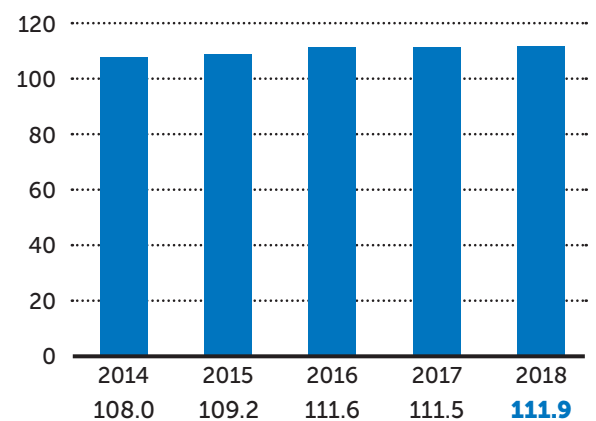
### Total Dividend Per Ordinary Share

(cents)



### Value-Added Per Employee

(S\$'000)



## GROUP FINANCIAL HIGHLIGHTS

### Financial Summary

	2014	2015	2016	2017	2018
Revenue (S\$'mil)*	3,680.2	3,725.7	3,635.5	3,576.4	3,805.2
Operating Costs (S\$'mil)*	3,238.1	3,275.0	3,173.3	3,167.2	3,366.4
Operating Profit (S\$'mil)	442.1	450.7	462.2	409.2	438.8
Profit Attributable to Shareholders (S\$'mil)	283.5	301.9	317.1	301.5	303.3
EBITDA (S\$'mil)	795.8	840.0	858.2	818.0	833.1
Issued capital (S\$'mil)	646.4	665.5	676.9	688.2	691.1
Capital and reserves (S\$'mil)	2,189.9	2,335.1	2,475.5	2,618.2	2,613.6
Capital disbursement (S\$'mil)	511.6	650.5	466.5	365.4	325.0
Return on shareholders' equity (%)	13.1	13.3	13.2	11.8	11.6
Earnings per ordinary share (cents)	13.29	14.07	14.72	13.95	14.01
Net asset value per ordinary share (cents)	102.36	108.60	114.77	121.01	120.70
Interim dividend per ordinary share (cents)	3.75	4.00	4.25	4.35	4.35
Final dividend per ordinary share (cents)	4.50	5.00	6.05	6.05	6.15
Total dividend per ordinary share (cents)	8.25	9.00	10.30	10.40	10.50
Dividend cover (number of times)	1.6	1.6	1.4	1.3	1.3

\*The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)) 15 Revenue from Contracts with Customers with effect from 1 January 2018. Certain comparative figures have been reclassified to conform to current year's presentation.

### Group Revenue by Business Segment

	2014		2015		2016		2017		2018	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Public transport services	2,251.5	61.1	2,332.5	62.6	2,307.3	63.5	2,400.9	67.1	2,711.0	71.3
Taxi	912.6	24.8	941.0	25.3	916.8	25.2	804.7	22.5	726.5	19.1
Automotive engineering services	302.7	8.2	238.5	6.4	204.8	5.6	171.1	4.8	166.1	4.4
Inspection and testing services	109.1	3.0	107.5	2.9	103.7	2.9	100.7	2.8	107.5	2.8
Driving centre	39.3	1.1	38.9	1.0	39.7	1.1	42.0	1.2	43.3	1.1
Car rental and leasing	35.9	1.0	38.3	1.0	36.3	1.0	31.4	0.9	26.7	0.7
Bus station	29.1	0.8	29.0	0.8	26.9	0.7	25.6	0.7	24.1	0.6
<b>Group</b>	<b>3,680.2</b>	<b>100.0</b>	<b>3,725.7</b>	<b>100.0</b>	<b>3,635.5</b>	<b>100.0</b>	<b>3,576.4</b>	<b>100.0</b>	<b>3,805.2</b>	<b>100.0</b>

### Group Revenue by Geographical Segment

	2014		2015		2016		2017		2018	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	2,038.0	55.4	2,092.4	56.2	2,133.3	58.7	2,108.6	59.0	2,241.4	58.9
United Kingdom / Ireland	1,004.6	27.3	1,014.6	27.2	912.5	25.1	855.6	23.9	891.0	23.4
Australia	413.5	11.2	387.1	10.4	385.5	10.6	423.6	11.8	503.4	13.2
China	212.9	5.8	219.7	5.9	192.4	5.3	179.2	5.0	163.5	4.3
Vietnam	7.1	0.2	8.7	0.2	8.9	0.2	6.8	0.2	3.3	0.1
Malaysia	4.1	0.1	3.2	0.1	2.9	0.1	2.6	0.1	2.6	0.1
<b>Group</b>	<b>3,680.2</b>	<b>100.0</b>	<b>3,725.7</b>	<b>100.0</b>	<b>3,635.5</b>	<b>100.0</b>	<b>3,576.4</b>	<b>100.0</b>	<b>3,805.2</b>	<b>100.0</b>

## Operating Profit by Business Segment

	2014		2015		2016		2017		2018	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Public transport services	172.2	38.9	177.7	39.4	178.3	38.6	180.1	44.0	216.5	49.3
Taxi	150.9	34.1	163.9	36.4	167.5	36.2	134.0	32.7	129.4	29.5
Automotive engineering services	51.4	11.7	41.2	9.1	50.7	11.0	33.9	8.3	25.3	5.8
Inspection and testing services	36.8	8.3	37.7	8.4	34.8	7.5	32.6	8.0	39.8	9.1
Driving centre	9.2	2.1	8.5	1.9	10.6	2.3	9.8	2.4	11.8	2.7
Car rental and leasing	9.1	2.1	9.2	2.0	8.1	1.8	6.9	1.7	4.9	1.1
Bus station	12.5	2.8	12.5	2.8	12.2	2.6	11.9	2.9	11.1	2.5
<b>Group</b>	<b>442.1</b>	<b>100.0</b>	<b>450.7</b>	<b>100.0</b>	<b>462.2</b>	<b>100.0</b>	<b>409.2</b>	<b>100.0</b>	<b>438.8</b>	<b>100.0</b>

## Operating Profit by Geographical Segment

	2014		2015		2016		2017		2018	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	227.2	51.4	245.1	54.4	275.1	59.5	243.9	59.6	282.7	64.4
United Kingdom / Ireland	89.1	20.2	92.2	20.5	80.7	17.5	60.7	14.8	53.0	12.1
Australia	72.2	16.3	62.9	13.9	57.3	12.4	60.1	14.7	64.1	14.6
China	52.2	11.8	48.6	10.8	47.4	10.2	44.0	10.8	39.5	9.0
Vietnam	0.6	0.1	1.3	0.3	1.2	0.3	-	-	(0.9)	(0.2)
Malaysia	0.8	0.2	0.6	0.1	0.5	0.1	0.5	0.1	0.4	0.1
<b>Group</b>	<b>442.1</b>	<b>100.0</b>	<b>450.7</b>	<b>100.0</b>	<b>462.2</b>	<b>100.0</b>	<b>409.2</b>	<b>100.0</b>	<b>438.8</b>	<b>100.0</b>

## Value-Added for the Group

	2014		2015		2016		2017		2018	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital - loan interest and dividends	220.0	9.5	232.7	9.7	244.4	9.9	294.1	12.0	291.1	11.1
Taxation to the government	240.6	10.4	242.9	10.1	243.8	9.9	212.7	8.7	198.3	7.6
Retained earnings	485.0	21.1	521.0	21.7	528.4	21.3	450.2	18.3	463.4	17.8
Employees - salaries and other staff costs	1,359.3	59.0	1,403.5	58.5	1,458.0	58.9	1,495.2	61.0	1,656.1	63.5
Total value-added	2,304.9	100.0	2,400.1	100.0	2,474.6	100.0	2,452.2	100.0	2,608.9	100.0
Number of employees	21,344		21,975		22,176		21,983		23,308	
<b>Value-added per employee (S\$'000)</b>	<b>108.0</b>		<b>109.2</b>		<b>111.6</b>		<b>111.5</b>		<b>111.9</b>	

## AWARDS AND ACCOLADES

**At ComfortDelGro Corporation Limited, the desire to always do better is borne out of passion – for our work and for our customers. As a result of this fervour, the Group was honoured with numerous awards and accolades during the year for our outstanding service, and contributions to society. The following is a list of major awards that we won in 2018.**



1.



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5.

### ComfortDelGro Corporation

1. The late Kua Hong Pak, Senior Advisor of ComfortDelGro, was conferred the Distinguished Service Award by the National Trades Union Congress (NTUC) at the May Day Award 2018
2. Partner of Labour Movement Award by NTUC at the May Day Award 2018
3. Bronze for the Best Investor Relations Award in the "companies with market capitalisation of S\$1 billion and above" category at the Singapore Corporate Awards 2018
4. Distinguished Friend of Lions Befrienders
5. Eco Office Label (2018-2021) re-certified by the Singapore Environment Council for the fourth consecutive time

### Beijing Jin Jian Taxi Services

6. Beijing Municipal Advance Unit of Traffic Safety Management 2017 by the Beijing Municipal Traffic Safety Committee

### Chengdu ComfortDelGro Taxi

7. He Maoxue, Huang Zhijun and Zhongwei were awarded the "Best Taxi Driver" Award by the City Transport Bureau and the National Taxi Association

### ComfortDelGro Bus

8. 12 National Kindness Award-Transport Gold 2018 winners
9. BS OHSAS 18001 Occupational Health and Safety Assessment
10. bizSAFE Star Certification by the Workplace Safety and Health Council (WSHC)
11. Champion Award in the "Non-public Bus Fleet" category by the Singapore Road Safety Council (SRSC) at the Singapore Road Safety Award 2018

### ComfortDelGro Corporation Australia

12. ISO 45001:2018 Certification for Occupational Health and Safety Management System
13. ISO 55001:2014 Asset Management Certification
14. Sam Khy won the Special Merit Award for the Passion! Award 2017
15. Andrew Connor was Finalist for the Passion! Award 2017
16. Achievement Award 2018 by the Department of Economic Development, Jobs, Transport and Resources, Victoria State Government.

### ComfortDelGro Driving Centre

17. "Assisted Compliance Assurance Programme (ACAP) Premium" status by the Inland Revenue Authority of Singapore (IRAS)
18. Certified On-the-Job Training Centre by the Institute of Technical Education
19. ISO 9001:2015 Quality Management System Certification
20. Singapore Quality Class Star and People Developer Certification by SPRING Singapore

### ComfortDelGro Engineering

21. 20 National Kindness Award-Transport Gold 2018 winners
22. 58 Excellent Service Award 2018 winners
23. bizSAFE Star Certification by WSHC
24. BS OHSAS 18001:2007 Occupational Health and Safety Management System Certification
25. ISO 9001:2015 Quality Management System Certification
26. Lam Tow Chik was Finalist for the Passion! Award 2017
27. Singapore Quality Class Star Certification by SPRING Singapore

### ComfortDelGro Irish Citylink

28. Ranked sixth in the Travel Sector by the Customer Xperience Insights (cXi)

### ComfortDelGro Taxi

29. 108 Excellent Service Award winners
30. 30 National Kindness Award-Transport Gold 2018 winners
31. Bronze Philanthropy Award in the Corporate category (2017) by Children's Cancer Foundation
32. Gregory Lye was the winner for the "Best Customer Service for Transport" category at the Singapore Tourism Awards 2018
33. Loh Hock and Tan Chee Wah were awarded Champion and Merit respectively in the "Safe-Driver (Taxi Fleet)" category by the SRSC at the Singapore Road Safety Award 2018
34. Partner of Labour Movement Award by NTUC at the May Day Award 2018
35. Seet Choo Tong was Finalist for the Passion! Award 2017
36. Total Defence Award - NS Advocate Award for Small and Medium-sized Enterprises by the Ministry of Defence
37. Total Defence Award - NS Advocate Award for Large Companies by the Ministry of Defence

### Guangzhou Xin Tian Wei Transportation Development

38. Chen Shi Luan, Wang Pan and Zhao Yong Qiang were awarded "Advanced Individual for Traffic Safety Award 2017" by the Guangzhou Traffic Police
39. "Model Unit" in the Information Service Management category by the Guangzhou Transport Information and Control Centre
40. Tan Run Chao and Wang Qi Lun were Finalists for the Passion! Award 2017
41. Tian He Bus Station Magazine was awarded Excellent Magazine by the Guangdong Provincial Transportation Association
42. Wang Qi Lun was commended under the "Good Man, Good Deeds" List in the 2017 Media Report by the Communications Commission of Guangzhou Municipality

### Jilin ComfortDelGro Taxi

43. "Excellent Grassroots Party Branch" by the Party Work Committee of Jilin City High-tech Zone
44. Zhao Wei was awarded the 2017-2018 Outstanding Party Worker by the Party Work Committee of Jilin City High-tech Zone
45. Quan Sheng Bo was Finalist for the Passion! Award 2017

### Metroline

46. Daniel Briscoe was Runner-up in the Apprentice category at the 2018 Institute of Road Transport Engineers (IRTE) Skills Challenge
47. Mitesh Patel was the top-scoring Mechanical Technician and Runner-up in the Vehicle Inspector category at the 2018 IRTE Skills Challenge
48. Ion Dinu won the 'Actions Above and Beyond the Call of Duty' Award by the Transport of London at the 2018 London Bus Awards
49. Perivale Garage was Finalist in the London Bus Garage of the Year Award at the 2018 UK Bus Awards
50. Tracey Palmer was Finalist for the Passion! Award 2017

### Moove Media

51. Bronze Award for the "Best Martech Solution Gaming/ Gamification" category at The Spark Awards 2018

### Nanning Comfort Transportation

52. 10 cabbies were awarded "Courteous Role Model" by the Nanning Taxi Association
53. Mo Linjun won the "Civilised Individual Award" by the Guangxi People Broadcasting Station at the 2nd Guangxi Outstanding Cabbies with Clean Driving Record Challenge

### SBS Transit

54. 141 National Kindness Award-Transport Gold 2018 winners
55. 1,655 Excellent Service Award 2018 winners
56. Attained the IRTE Workshop Accreditation
57. Attained the Tripartite Standard (TS) on Grievance Handling by the Tripartite Alliance for Fair and Progressive Employment Practices and Recruitment Practices



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37.

## AWARDS AND ACCOLADES



59.



59.



71.



88.



89.

58. Abdul Azmin Bin Abdul Azizam and Fong Sai Weng were presented with the Community Lifesaver Awards by the Singapore Civil Defence Force
59. Deng Ziliang won the Passion! Award 2017
60. Goh Soon Huat was Finalist for the Passion! Award 2017
61. Goh Soon Huat was the Winner in the Customer Service Team Leader of the Year (Service Centre) category by the Asia Pacific Customer Service Consortium (APCSC) at the Customer Relationship Excellence (CRE) Awards 2018
62. Yong Wee Seng was the Winner in the Customer Service Professional of the Year (Service Centre) category by the APCSC at the CRE Awards 2018
63. Roy Ong Tin Cheow was awarded Merit in the Customer Service Professional of the Year (Service Centre) by the APCSC at the CRE Awards 2018
64. "Excellence in Multigenerational Workforce Management" Silver Award at the HR Excellence Awards 2018
65. Goh Pek Hong and Jumari Bin Semin were awarded the SkillsFuture Fellowship 2018 by the SkillsFuture Singapore (SSG)
66. SkillsFuture Employer Award 2018 by the SSG
67. ISO 55001:2014 Asset Management Certification for Downtown Line (DTL)
68. ISO 45001:2018 Certification for Occupational Health and Safety Management System for Bus and DTL
69. Jin Shu Juan was awarded Champion in the "Safe-Driver (Public Bus Fleet)" category by the SRSC at the Singapore Road Safety Awards 2018
70. NTUC Health Volunteer Appreciation 2018 Award by NTUC Health
71. "Safe Bus Operator of the Year" Excellence Award and "Safe Rail Line of the Year" Excellence Award by the Land Transport Authority at the 20th Annual Safety Award Convention

### Scottish Citylink Coaches

72. Gold in the Top Express Operation category for the Operating Awards at the 2018 UK Coach Awards
73. Jim Orr won Gold in the Unsung Hero category at the 2018 UK Coach Awards
74. Peter Knight won Gold in the Young Industry Professional category at the 2018 UK Coach Awards

75. Silver for its Contactless Payments for the Innovation Award at the 2018 UK Coach Awards

### Shenyang ComfortDelGro Taxi

76. 297 cabbies were awarded the "Star Driver" title
77. 57 cabbies were awarded the "Citizens' Most Satisfactory Driver" Award by the Shenyang Traffic Bureau and Liaoning Radio and Television Station
78. 70 taxis were awarded the "Citizens' Most Improved and Satisfactory Taxi" Award by the Shenyang Traffic Bureau and Liaoning Radio and Television Station
79. 66 taxis won the "Model Taxi" Award
80. AAA Standard Enterprise for 2017

### Setsco Services (SETSCO)

81. Awarded the Water Efficiency Labelling Scheme by the Singapore Accreditation Council
82. Achieved "Injury-Free 2018" by the ExxonMobil Asia Pacific
83. Awarded the "Safety Excellence and Bonus Award" by the Petrochemical Corporation of Singapore
84. Shirley Lim Suidi was awarded the Young Professional Award by Enterprise Singapore

### VICOM

85. ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories
86. ISO 9001:2015 Quality Management Systems
87. Recertified the "ACAP Premium" status by IRAS
88. Winner in the Mid-Cap category for the Singapore Corporate Governance Award at the Securities Investors Association Singapore (SIAS) 19th Investors' Choice Awards 2018
89. Runner-up in the Most Transparent Company Award (Services) category at the SIAS 19th Investors' Choice Awards 2018

### Vietnam Taxi (Vinataxi)

90. Vietnam Top 50 Well-known Trademark by the Vietnam Intellectual Property Department



## CORPORATE INFORMATION

### Board of Directors

**Lim Jit Poh**  
Chairman

**Yang Ban Seng**  
Managing Director/  
Group Chief Executive Officer

**Jessica Cheam** (Appointed on 1 January 2019)  
**Chiang Chie Foo** (Appointed on 1 May 2018)  
**Lee Khai Fatt, Kyle**  
**Ong Ah Heng**  
**Ooi Beng Chin** (Appointed on 1 May 2018)  
**Sum Wai Fun, Adeline**  
**Tham Ee Mern, Lilian**  
**Wang Kai Yuen**  
**Wong Chin Huat, David**  
**Oo Soon Hee** (Retired on 26 April 2018)

### Audit and Risk Committee

**Sum Wai Fun, Adeline**  
Chairman

**Chiang Chie Foo** (Appointed on 1 May 2018)  
**Lee Khai Fatt, Kyle**  
**Ong Ah Heng**  
**Tham Ee Mern, Lilian**  
**Oo Soon Hee** (Stepped down on 26 April 2018)

### Remuneration Committee

**Wang Kai Yuen**  
Chairman

**Lim Jit Poh**  
**Ong Ah Heng**  
**Ooi Beng Chin** (Appointed on 1 May 2018)  
**Wong Chin Huat, David**  
**Sum Wai Fun, Adeline** (Appointed on 1 January 2019)

### Nominating Committee

**Lim Jit Poh**  
Chairman

**Jessica Cheam** (Appointed on 1 January 2019)  
**Chiang Chie Foo** (Appointed on 1 May 2018)  
**Lee Khai Fatt, Kyle**  
**Wong Chin Huat, David**  
**Wang Kai Yuen** (Stepped down on 1 May 2018)

### Investment Committee

**Lim Jit Poh**  
Chairman

**Jessica Cheam** (Appointed on 1 January 2019)  
**Ooi Beng Chin** (Appointed on 1 May 2018)  
**Tham Ee Mern, Lilian**  
**Wang Kai Yuen**  
**Yang Ban Seng**  
**Oo Soon Hee** (Stepped down on 26 April 2018)  
**Sum Wai Fun, Adeline** (Stepped down on 1 January 2019)

### Corporate Directory

**Registered Office**  
205 Braddell Road  
Singapore 579701  
Mainline: (65) 6383 8833  
Facsimile: (65) 6287 0311  
Email: info@comfortdelgro.com  
Website: www.comfortdelgro.com  
Company Registration Number:  
200300002K

**Joint Company Secretaries**  
Chan Wan Tak, Wendy  
Yeo Tee Yeok, Edwin

**Share Registrar**  
B.A.C.S. Private Limited  
8 Robinson Road #03-00  
ASO Building  
Singapore 048544

**Auditors**  
Deloitte & Touche LLP  
Public Accountants and  
Chartered Accountants  
6 Shenton Way,  
OUE Downtown 2  
#33-00  
Singapore 068809

Partner-in-Charge:  
Cheung Pui Yuen

Date of Appointment:  
26 April 2018

## BOARD OF DIRECTORS



**Lim**  
Jit Poh

- ▶ CHAIRMAN (NON-EXECUTIVE & INDEPENDENT DIRECTOR)
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 JANUARY 2003
- ▶ DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
26 APRIL 2017

Mr Lim Jit Poh is the Chairman and a non-executive and independent Director of ComfortDelGro Corporation Limited. Mr Lim is the Chairman of both the Nominating Committee and the Investment Committee, and a member of the Remuneration Committee. Mr Lim is also the Chairman of the Company's two listed subsidiaries, SBS Transit Ltd and VICOM Ltd. These companies have business interest in bus and rail and inspection and testing services respectively. Mr Lim is also the Chairman of several non-listed companies owned by the Singapore Labour Foundation, the National Trades Union Congress (NTUC) and CapitalLand Limited Group.

Mr Lim was a former top civil servant and a Fulbright Scholar. He was awarded the Public Administration Medal in 1972 and the Public Service Star (BBM) in 2015 by the President of the Republic of Singapore, as well as four awards by NTUC, namely the Friend of Labour Award in 1986, the Meritorious Service Award in 1990, the Distinguished Service Award in 2000 and the Distinguished Service (Star) Award in 2014. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore. In his previous employment as Executive Director of two public listed companies, Mr Lim had been directly involved in negotiations with business partners and relevant authorities on various joint venture projects in the ASEAN region, as well as in China, Hong Kong, United Kingdom, Australia and Mauritius. He was also involved in the management of these operations. Mr Lim was a Council Member of the Singapore Chinese Chamber of Commerce and Industry and the National University of Singapore, and a Member of the Singapore British Business Council. He was also very active in community work being Chairman of a community centre management committee. Presently, he is a Trustee of the Singapore National Employers Federation and a Member of the Board of Management of Pei Chun Public School.

Mr Lim holds a Bachelor of Science (Hons) in Physics from the University of Singapore and a Master of Education from the University of Oregon, USA.



**Yang**  
Ban Seng

- ▶ MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER (EXECUTIVE & NON-INDEPENDENT DIRECTOR)
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 MAY 2017
- ▶ DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
26 APRIL 2018

Mr Yang Ban Seng is the Managing Director/Group Chief Executive Officer of ComfortDelGro Corporation Limited. He is a non-independent Director of the Company and a member of the Investment Committee. Concurrently, he is also the Executive Deputy Chairman and Chief Executive Officer of SBS Transit Ltd. He is also the Deputy Chairman of VICOM Ltd.

Prior to his current appointment, Mr Yang was the Chief Executive Officer of Taxi Business in Singapore where he oversaw the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Prior to joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the Ministry of Home Affairs and the National Trades Union Congress' (NTUC) Secretary for Co-operatives. At the NTUC's May Day Awards in 2013, he was awarded the Medal of Commendation.

He holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester and a Master of Business Administration from the National University of Singapore.



- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 JANUARY 2019

Ms Jessica Cheam is a non-executive Director of ComfortDelGro Corporation Limited. She is an independent Director of the Company. Ms Cheam is also a member of the Nominating Committee and the Investment Committee.

Ms Cheam is the Managing Editor of Eco-Business, a platform for the region to discuss and advance sustainability issues. Ms Cheam serves as Strategic Advisor to Blue Planet Environmental Solutions, and is founding Director for Embodhi (Singapore), a non-profit for women empowerment in Asia. She is also an associate member of the Singapore Institute of Directors, and currently chairs the Climate Action SG Alliance – an initiative supported by the Ministry of Environment and Water Resources to advocate climate action and raise public awareness on climate issues.

A Singapore Press Holdings scholar, she has also won many journalism awards, including the Earth Journalism Awards in 2009, Young Journalist of the Year by Singapore Press Holdings in 2010, the ASEAN Green Technology Journalism Award in 2011 and the Sustained Environmental Reporting by a Journalist Award in 2015 for her efforts in contributing to environmental journalism over the last decade.

She is the published author of 'Forging a Greener Tomorrow: Singapore's journey from slum to eco-city'. She is also an adjunct research associate for the Centre for Liveable Cities. She holds a Film and Literature degree (First Class Honours) from University of Warwick and a MA Distinction in Journalism from University of London's Goldsmiths College.

- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 MAY 2018

Mr Chiang Chie Foo is a non-executive and independent Director of ComfortDelGro Corporation Limited. Mr Chiang is a member of both the Audit and Risk Committee and the Nominating Committee.

Mr Chiang is the Chairman of Singapore's Central Provident Fund Board, a world-class social security organisation, PUB (Singapore's National Water Agency) and Ascendas Property Fund Trustee Pte Ltd which manages Ascendas India Trust (a property trust which owns seven IT parks and six modern warehouses in India). Mr Chiang is a Director on the Board of the Lee Kuan Yew Exchange Fellowship, Epworth Community Services and Valencia Club de Fútbol, a Senior Advisor to the Republic of Singapore's Ministry of Defence and a Trustee Member of the APB Foundation. Mr Chiang served in the Singapore Government's Administrative Service, holding various senior appointments in the Ministries of Finance, Education, Home Affairs and Defence.

He was awarded the Public Administration Medal (Gold) in 1997, the Long-Service Medal in 2004 and the Meritorious Service Medal in 2007 by the President of the Republic of Singapore.

Mr Chiang holds a Bachelor of Engineering (First Class Honours) from the University of Western Australia, Australia and a Master in Public Administration from Harvard University, USA.

## BOARD OF DIRECTORS



- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 MAY 2017
- ▶ DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
26 APRIL 2018

Mr Lee Khai Fatt, Kyle is a non-executive and independent Director of ComfortDelGro Corporation Limited. Mr Lee is a member of both the Audit and Risk Committee and the Nominating Committee. Mr Lee is also an independent Director of Great Eastern Holdings Limited, CapitaLand Mall Trust Management Limited and FEO Hospitality Trust Management Pte Ltd (manager of Far East Hospitality Trust).

Mr Lee trained as a Chartered Accountant in London and, in his professional career spanning 36 years, he has worked in both the United Kingdom and Singapore. He served as a partner of Price Waterhouse and PricewaterhouseCoopers LLP for 20 years including five years as a Practice Leader for Business Advisory Services.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. Additionally, he has a Master of Science in International Management from SOAS London and Master of Business Administration from Imperial College London.



- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
18 FEBRUARY 2003
- ▶ DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
26 APRIL 2018

Mr Ong Ah Heng is a non-executive and independent Director of ComfortDelGro Corporation Limited. Mr Ong is a member of both the Audit and Risk Committee and the Remuneration Committee. He was the Member of Parliament for Nee Soon Central Single Member Constituency until Parliament dissolved in April 2011. He is presently a Director of ComfortDelGro Engineering Pte Ltd and a Trustee of National Transport Workers' Union (NTWU). Mr Ong was the former Assistant Secretary-General of the National Trades Union Congress (NTUC) and Alignment Director of the Care & Share Secretariat in NTUC. He was also the former Executive Secretary of NTWU.

Mr Ong was involved in the trade union movement from 1980 to 16 January 2010, and has taken care of members in the transport industry.

Mr Ong holds a Bachelor of Arts (Government & Public Administration) from Nanyang University and a Master of Arts (Political Science) from the University of Arkansas.



- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 MAY 2018

Professor Ooi Beng Chin is a non-executive and independent Director of ComfortDelGro Corporation Limited. Professor Ooi is a member of both the Remuneration Committee and the Investment Committee.

Professor Ooi is a Distinguished Professor of Computer Science, Faculty Member of the National University of Singapore (NUS) Graduate School and Director of Smart Systems Institute (SSI@NUS) at the NUS, and an Adjunct Chang Jiang Professor at Zhejiang University, China.

He is a Co-Founder of yzBigData in 2012 for Big Data Management and Analytics, and Shentilium Technologies in 2016 for artificial intelligence and data-driven financial data analytics, and an Advisory Council Member of a fintech company, Cynopsis Solutions Pte Ltd.

Professor Ooi's research interests include database, blockchain, distributed processing, machine learning and large scale analytics, in the aspects of system architectures, performance issues, security, accuracy and correctness. He is also interested in exploiting IT in production and process reengineering (eg. Just in Time fabric printing, healthcare innovation, food analysis, and smart city).

He is a Fellow of the Association for Computing Machinery (ACM), the Institute of Electrical and Electronic Engineers (IEEE), and the Singapore National Academy of Science. He has received numerous awards in the field of computer science.

Professor Ooi was awarded the Public Administration Medal (Silver) in 2013 and the Long Service Medal in 2018 by the President of the Republic of Singapore.

Professor Ooi holds a Bachelor of Science (First Class Honours) and a Doctor of Philosophy from Monash University, Australia.

- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 JANUARY 2007
- ▶ DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
28 APRIL 2016

Ms Sum Wai Fun, Adeline is a non-executive and independent Director of ComfortDelGro Corporation Limited. She is the Chairman of the Audit and Risk Committee and a member of the Remuneration Committee. Ms Sum is presently the Chief Executive Officer of Singapore Labour Foundation, the Deputy Chief Executive Officer of NTUC Enterprise Co-operative Limited and Managing Director of NTUC Fairprice Co-operative Limited. She holds directorships in the NTUC Enterprise Group.

Ms Sum was awarded the Public Service Medal in 2014 by the President of the Republic of Singapore.

Ms Sum holds a Bachelor of Arts (History) from the National University of Singapore, a Master of Business Administration (Accountancy) from the Nanyang Technological University and a Master of Public Administration from Harvard University.

## BOARD OF DIRECTORS



- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
1 AUGUST 2017
- ▶ DATE OF LAST RE-APPOINTMENT AS DIRECTOR OF THE COMPANY:  
26 APRIL 2018

Ms Tham Ee Mern, Lilian is a non-executive and independent Director of ComfortDelGro Corporation Limited. Ms Tham is a member of both the Audit and Risk Committee and the Investment Committee.

Ms Tham currently holds the positions of Head of Operations & Technology for Asia Pacific and Chief Operating Officer for Singapore at Schroder Investment Management (Singapore) Limited with regional responsibilities that encompass Portfolio Services, Fund Services, Information Technology and Change & Project Management. As Chief Operating Officer of Singapore, she has additional local oversight of Finance, Legal, Risk and Compliance. She is also a member of the Global Operations Committee responsible for setting the global operational strategy of the firm. Prior to joining Schrodgers, she was a Management Consultant with Coopers & Lybrand (now PricewaterhouseCoopers) focussing on IT consultancy in the financial and manufacturing industries.

Ms Tham is presently a Board Member of Home Nursing Foundation and is a member of DTCC Asia Executive Council and HSBC Asia Client Advisory Board. Ms Tham was also conferred the "IBF Fellow" title in October 2018.

Ms Tham holds a Bachelor of Science in Information Systems from the National University of Singapore.

- ▶ NON-EXECUTIVE & INDEPENDENT DIRECTOR
- ▶ DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:  
18 FEBRUARY 2003
- ▶ DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:  
26 APRIL 2017

Dr Wang Kai Yuen is a non-executive and independent Director of ComfortDelGro Corporation Limited. Dr Wang is the Chairman of the Remuneration Committee and a Member of the Investment Committee. He was also a former Member of Parliament for Bukit Timah Single Member Constituency. He is the Chairman of both HLH Group Ltd and Ezion Holdings Ltd and the Deputy Chairman of China Aviation Oil (Singapore) Corporation Ltd. He also holds directorships in two listed companies, namely, COSCO Corporation (Singapore) Ltd and Emas Offshore Limited.

When he was Managing Director of Fuji Xerox Singapore Software Centre, Dr Wang managed a software centre with 150 employees. In that capacity, he interacted with senior managers of business and product development divisions in the United States, China and Japan of the global office equipment company. Dr Wang is familiar with the American and Asian cultures, international business practices, and corporate finance and governance. Dr Wang has also participated in many international meetings of parliamentarians. He has wide business and political contacts in China, having led many grassroots delegations to visit numerous city and provincial governments.

Dr Wang holds a Bachelor of Engineering (Electrical Engineering) (Hons) from the University of Singapore and a Master of Science (Industrial Engineering), a Master of Science (Electrical Engineering) and a PhD (Engineering) from Stanford University, USA.



- ▶ **NON-EXECUTIVE & INDEPENDENT DIRECTOR**
- ▶ **DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:**  
11 APRIL 2003
- ▶ **DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:**  
28 APRIL 2016

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Mr Wong Chin Huat, David is a non-executive and independent Director of ComfortDelGro Corporation Limited. Mr Wong is a member of both the Remuneration Committee and the Nominating Committee.

Mr Wong has been practising law with Ramdas and Wong since June 1974.

He served as a Member of the Public Service Commission from 1998 till April 2015. He is presently the Chairman of the NTUC-U Care Fund Board of Trustees as well as the NTUC Endowment Fund Management Committee.

Mr Wong was awarded the Friend of Labour Award in 1989, the Meritorious Service Award in 1995, the Distinguished Service Award in 2001 and the Distinguished Service (Star) Award in 2010 by the National Trades Union Congress. Mr Wong also received a Certificate of Appreciation from the Singapore Labour Foundation for services rendered as a Director of Pasir Ris Resort Services Pte Ltd in 1989. In 1991, he was awarded the Public Service Star and in 2005, the Public Service Star (Bar) by the President of the Republic of Singapore for community and social services rendered.

Mr Wong holds a LL.B (Hons) from the University of Singapore and a LL.M from the University of London.

# KEY MANAGEMENT

## Corporate Office



### 1) Choo Chek Siew

**GROUP CHIEF FINANCIAL OFFICER**

Mr Choo Chek Siew is the Group Chief Financial Officer. He is responsible for the Group's financial and statutory reporting, budgeting, financial control and policies, treasury and debt management and taxation. Mr Choo joined the Group in July 2003. He started his career with PricewaterhouseCoopers and moved on to become Group Internal Audit Manager of United Engineers Ltd. Mr Choo was the Regional Financial Controller at Citibank N.A and Chief of Staff at Union Bank of Switzerland before joining the Development Bank of Singapore Ltd as Head of Integration. Prior to joining the Group, he was with Oversea-Chinese Banking Corporation Ltd as Group Head of Finance. Mr Choo holds a Bachelor of Economics (Hons) from the Australia National University and is an Australian Chartered Accountant.

### 2) Choo Peng Yen

**GROUP CHIEF TRANSFORMATION OFFICER  
GROUP CHIEF INVESTOR RELATIONS OFFICER**

Mr Choo Peng Yen was appointed Group Chief Investor Relations Officer on 1 November 2010. He is also the Group Chief Transformation Officer since May 2018. He was the General Manager of the North East China Business Unit. Mr Choo joined the Group in 1978 and was the Senior Vice President (Group Business Development) prior to his appointment in China. He holds a Bachelor of Business Administration from the University of Singapore and attended the International Executive Programme at INSEAD (France).

### 3) Neo Eng Hoe

**GROUP CHIEF TECHNOLOGY OFFICER**

Mr Neo Eng Hoe was appointed Group Chief Information Officer on 1 April 2015. He oversees the Group's Information Technology (IT) functions and applications, and supports strategic and business needs. Prior to this appointment, Mr Neo was the Senior Vice President of Group IT. Before joining the Group in 2003, he started his career at the Port of Singapore Authority, and was the General Manager, Systems & Services Unit at Singapore Computer Systems Limited. Mr Neo holds a Bachelor of Business in Business Administration from the Royal Melbourne Institute of Technology.

### 4) Chan Mui Wah, Daisy

**GROUP CHIEF HUMAN RESOURCE OFFICER**

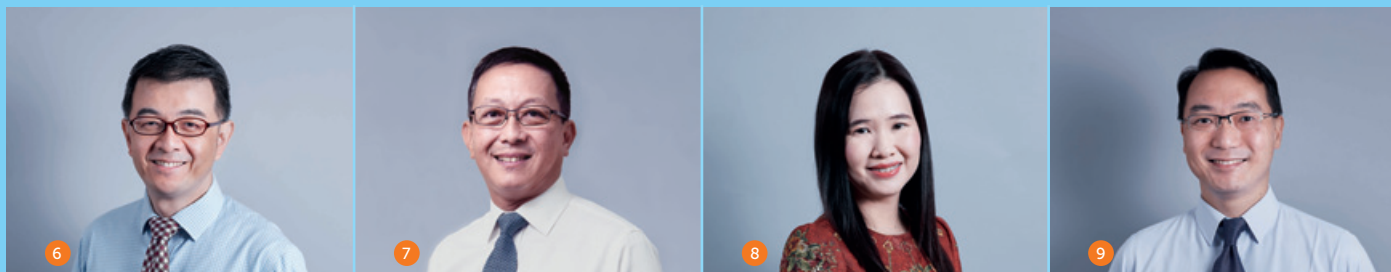
Ms Chan Mui Wah, Daisy is the Group Chief Human Resource Officer. She started her career with the Ministry of Education before moving on to join the Personnel Department at the then Singapore Bus Service (1978) Ltd in 1985. She has also held appointments in the Queensland Corrective Services Commission (Brisbane/Australia) and the Public Service Division, Prime Minister's Office (Singapore). She was re-appointed SBS Transit Ltd's Human Resource Manager in 1996. Ms Chan holds a degree in Psychology from the University of Western Australia.

### 5) Tan I-Lin, Tammy

**GROUP CHIEF CORPORATE COMMUNICATIONS OFFICER**

Ms Tan I-Lin, Tammy was appointed Group Chief Corporate Communications Officer in March 2004. She is responsible for the Group's corporate communications functions, including promoting the Group's image, overseeing its various publications, coordinating requests for sponsorships and donations, and liaising with the media community. Ms Tan is the Group's Spokesman. She started her career with Singapore Press Holdings in 1995 and held several positions in The Straits Times, including Deputy Money Editor and Deputy News Editor. Ms Tan holds a Bachelor of Social Sciences (Hons) from the National University of Singapore.





### 6) Chong Yew Fui, Adrian

GROUP CHIEF INTERNAL AUDIT OFFICER

Mr Adrian Chong is the Group Chief Internal Audit Officer. Prior to joining the Group, he was Senior Vice President of Hyflux Ltd. Mr Chong has spent many years in the audit profession with extensive commercial, operations and overseas experience, particularly in corporate governance, systems risks and process controls. Mr Chong holds a Bachelor of Commerce (Accounting and Finance) from Murdoch University. He is a member of CPA Australia and is a Certified Information Systems Auditor. Mr Chong is also an ISACA Member.

### 7) Jackson Chia

GROUP CHIEF RISK & SUSTAINABILITY OFFICER

Mr Jackson Chia was appointed the Group Chief Risk & Sustainability Officer on 5 November 2018. He is concurrently Senior Vice President of Group Transformation Office. Mr Chia joined the Group in 2017 after a 28-year career with the Singapore Armed Forces, where he held various senior appointments in the Republic of Singapore Navy. He holds a Bachelor of Social Science (First Class) degree in Economics and Statistics from the University of Birmingham, and a Master of Arts from the Fletcher School of Law and Diplomacy. Mr Chia also attended the International Executive Programme at INSEAD, France in 2008.

### 8) Chan Wan Tak, Wendy

SENIOR VICE PRESIDENT OF GROUP FINANCE  
AND JOINT COMPANY SECRETARY

Ms Chan Wan Tak, Wendy joined the Group in September 2007 as Vice President of Group Finance. She is currently Senior Vice President of Group Finance. She is also the Joint Company Secretary. Prior to joining the Group, Ms Chan was the Vice President of Finance and Operations of k1 Ventures Limited. Before this, she was with Deloitte & Touche LLP as Senior Audit Manager. Ms Chan holds a Bachelor of Accounting and Finance (Hons) from the University of Glamorgan, United Kingdom. She is a Chartered Accountant of the Institute of Singapore Chartered Accountants and a Fellow of the Chartered Association of Certified Accountants.

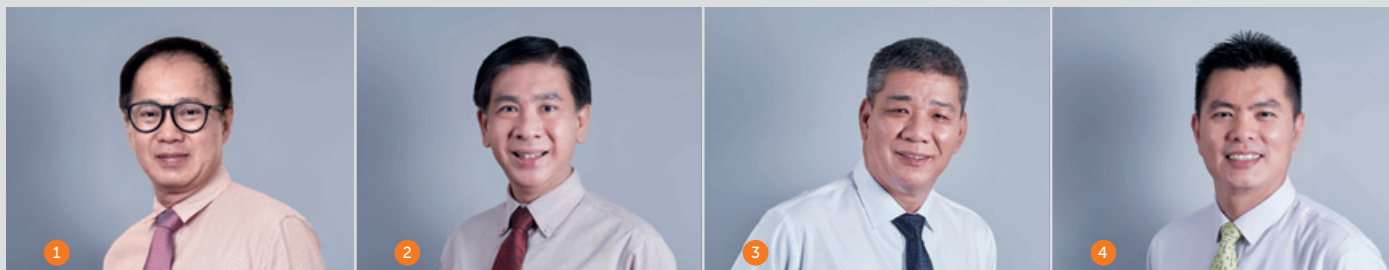
### 9) Yeo Tee Yeok, Edwin

VICE PRESIDENT OF GROUP LEGAL AND  
JOINT COMPANY SECRETARY

Mr Yeo Tee Yeok, Edwin is Vice President of Group Legal and Joint Company Secretary. He joined the Group in September 2014 and was appointed Joint Company Secretary in May 2017. Prior to joining the Group, Mr Yeo was Senior Legal Counsel at Oracle Corporation Singapore Pte Ltd where he was responsible for legal matters across the ASEAN business region. Mr Yeo is a member of the Chartered Secretaries Institute of Singapore. He holds a Bachelor of Laws and a Bachelor of Commerce from the Australian National University.

## KEY MANAGEMENT

### Business Units



#### 1) Yang Ban Seng

CHIEF EXECUTIVE OFFICER  
SBS TRANSIT

Mr Yang Ban Seng is the Executive Deputy Chairman and Chief Executive Officer of SBS Transit. His appointments took effect from 15 January 2019. Concurrently, he is the Managing Director/Group Chief Executive Officer of ComfortDelGro Corporation Limited and the Deputy Chairman of VICOM Ltd.

Prior to his current appointment, Mr Yang was the Chief Executive Officer of Taxi Business in Singapore where he oversaw the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Prior to joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the Ministry of Home Affairs and the National Trades Union Congress' (NTUC) Secretary for Co-operatives. At the NTUC's May Day Awards in 2013, he was awarded the Medal of Commendation.

He holds a Bachelor of Science (Operations Research and Statistics) (Hons) from the University of Manchester and a Master of Business Administration from the National University of Singapore.

#### 2) Ang Wei Neng

CHIEF EXECUTIVE OFFICER  
TAXI BUSINESS, COMFORTDELGRO

Mr Ang Wei Neng was appointed Chief Executive Officer of Taxi Business in Singapore on 1 May 2017. Prior to his appointment, he was Head of Bus Operations and Senior Vice President of SBS Transit Limited. He had also held key positions in Service Development, Operations Development as well as General Manager of District Operations since he joined SBS Transit in 2004. Previously, he held various managerial positions in operations and business development in diverse industries, covering countries in Southeast Asia, Hong Kong and China. Mr Ang, a Public Service Commission (PSC) Scholar, served in the Singapore Police Force before joining the private sector. He holds a Bachelor of Social Sciences (Hons) from the National University of Singapore and a Master of Business Administration (MBA) from the Nanyang Technological University. Mr Ang is also a Member of Parliament for Jurong Group Representation Constituency.

#### 3) Sim Wing Yew

CHIEF EXECUTIVE OFFICER  
VICOM

Mr Sim Wing Yew was appointed Chief Executive Officer of VICOM Ltd on 1 May 2012. Prior to this appointment, he was Chief Operating Officer of ComfortDelGro Engineering Pte Ltd since August 2008 before assuming the role as Chief Executive Officer on 1 March 2011. Mr Sim first joined the Group in September 2002 as a General Manager in charge of two maintenance workshops in SBS Transit Ltd's Fleet Management Department. In June 2006, he assumed responsibility as the General Manager for all five SBS Transit's workshops. Mr Sim holds a Bachelor of Engineering (Hons) in Mechanical and Production Engineering from the Nanyang Technological University and a Master of Business Administration from the University of Hull, United Kingdom.

#### 4) Ang Soo Hock

CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO ENGINEERING

Mr Ang Soo Hock was appointed Chief Executive Officer of ComfortDelGro Engineering Pte Ltd on 1 January 2018. Prior to this appointment, he was the Chief Operating Officer. Mr Ang first joined the Company as an Engineer in July 1998. In 2003, he assumed the responsibility of Branch Manager, Sin Ming, overseeing the maintenance of both the taxi fleet and private cars, and the operation of four diesel kiosks. In June 2007, he was tasked to oversee all maintenance workshops for the Group's entire taxi fleet in Singapore, and in September 2009, he took on the added responsibility of managing diesel sale operations as well. Mr Ang holds a Bachelor of Engineering (Hons) in Mechanical and Production Engineering from the Nanyang Technological University and a Specialist Diploma in Franchise Management from the Ngee Ann Polytechnic.



### 5) Lim Tien Hock

CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO DRIVING CENTRE

Mr Lim Tien Hock was appointed the Chief Executive Officer of ComfortDelGro Driving Centre Pte Ltd on 1 August 2018. He was previously Senior Vice President, Group Human Resource, ComfortDelGro. Prior to joining the Group in June 2012, Mr Lim served in a number of senior appointments in the Ministry of Defence, Singapore and the Singapore Armed Forces covering stints in training, operations and human resource. He graduated from University College London, United Kingdom and holds a Master in Engineering (Electrical and Electronic). Mr Lim also holds a Master of Business Administration from Nanyang Fellows - MIT Sloan Programme.

### 6) Jayne Kwek

CHIEF EXECUTIVE OFFICER  
MOOVE MEDIA

Mrs Jayne Kwek joined the Group in October 2004 and is currently the Chief Executive Officer of Moove Media Pte Ltd. She is an Executive Council Member of the Institute of Advertising Singapore and has won many prestigious advertising awards, including the Singapore Media Award and the Singapore Hall of Fame Advertising Awards. She has also been voted one of Singapore's 20 Most Influential Marketing Personalities. Mrs Kwek graduated with a Degree of Associate in Science (Fashion Merchandising) from the Daytona Beach Community College, Florida, USA.

### 7) Pang Weng Heng

CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO BUS

Mr Pang Weng Heng was appointed Chief Executive Officer of ComfortDelGro Bus Pte Ltd on 1 January 2015. Prior to this appointment, he was the Chief Operating Officer. Mr Pang joined the Group in September 1978. Prior to his transfer to ComfortDelGro Bus, he served in the Operations, Finance, and Projects Departments of Comfort Transportation Pte Ltd. Mr Pang holds a Certified Diploma in Accounting and Finance from the Association of Chartered Certified Accountants and a Diploma in Management Studies from the Singapore Institute of Management.

### 8) Ong Beng Tin, Mary

CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO RENT-A-CAR

Ms Ong Beng Tin, Mary joined the Group in 1996 and is the Chief Executive Officer of ComfortDelGro Rent-A-Car. Prior to her appointment, she was the Chief Operating Officer and served as the Head of Sales and General Manager in the Company. She has 20 years' experience in the car rental industry, beginning her career as a Sales Manager in Ken-Air's Auto Services Division. Ms Ong holds a Bachelor of Arts from the National University of Singapore.

### 9) Chua Beng Peng, Clement

CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO INSURANCE BROKERS

Mr Clement Chua Beng Peng was appointed the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd on 1 March 2018, where he is responsible for all aspects of the Group's insurance, claims and risk management activities.

Prior to his appointment, he was the Chief Operating Officer since January 2016. He had joined the Group in 2005 where he has held various positions and responsibilities with diversified experience in insurance broking, operations, claims handling, risk management, business development, corporate planning and services. He holds a Bachelor of Economics Degree from the University of Western Australia, a Diploma in Insurance from the Chartered Insurance Institute, and is a Certified Professional Risk Manager from the Asia Risk Management Institute.

## KEY MANAGEMENT

**Business Units**

UNITED KINGDOM/IRELAND

**1) Sean O'Shea**CHIEF EXECUTIVE OFFICER  
METROLINE

Mr Sean O'Shea is the Chief Executive Officer of Metroline Limited. Prior to this, he was the Chief Operating Officer. Mr O'Shea joined London Bus Services Limited as a graduate management trainee in 1990 after obtaining a degree in Mathematics and Philosophy from the University of Liverpool. Following a comprehensive training in all aspects of bus operations, Mr O'Shea undertook several roles within Metroline Travel, and was appointed Commercial Director for Metroline Travel and Metroline London Northern in 2001.

**2) Rudy Tan**CHIEF EXECUTIVE OFFICER  
CITYFLEET NETWORKS

Mr Tan Lai Wah, Rudy, is the Chief Executive Officer of CityFleet Networks. Prior to joining the Group, Mr Tan was the Chief Operating Officer of ST Kinetics, the land systems and specialty vehicles arm of the Singapore Technologies Engineering Group. During his 17 years with ST Engineering, Mr Tan served in several roles, heading different Business Units and corporate functions such as marketing, as well as business and corporate developments. He also oversaw its businesses in China, India and the United States. Mr Tan graduated from the Imperial College London. He also attended the Senior Executive Programme at London Business School and holds a Master of Business Administration from the University of Leicester. He is also a CFA Charterholder.

**Business Units**

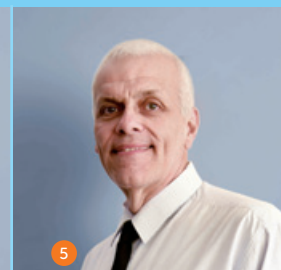
AUSTRALIA

**3) Cheng Siak Kian**CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO CORPORATION AUSTRALIA  
(NSW)

Mr Cheng Siak Kian was appointed Chief Executive Officer of ComfortDelGro Corporation Australia Pty Ltd (NSW) on 1 December 2016. He was previously Senior Vice President (Bus), SBS Transit Ltd. Prior to joining the Group in September 2015, Mr Cheng served in a number of senior appointments in the Ministry of Defence, Singapore and the Republic of Singapore Air Force. Mr Cheng holds a Bachelor of Electrical and Electronic Engineering (First Class) Degree from the University of Manchester, United Kingdom and Master of Business Administration from Massachusetts Institute of Technology, USA.

**4) Yap Soon Hua, Nicholas**CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO CORPORATION AUSTRALIA  
(VIC)

Mr Yap Soon Hua, Nicholas, was appointed Chief Executive Officer of ComfortDelGro Corporation Australia (VIC) on 1 December 2016. Prior to this appointment, he was General Manager of CDC Victoria and Chief Operating Officer of ComfortDelGro Cabcharge Pty Ltd. Mr Yap joined the Group in 1994 and was Vice President, Group Business Development, before his posting to Australia. He also served as a Manager in the Service Development Department of SBS Transit Ltd. Mr Yap holds a Bachelor of Economic and Social Studies (Hons) from the University of Wales in Accounting and Law. He also completed the Executive Programme in Transportation Management from the Nanyang Technological University & Chartered Institute of Transport, Singapore.

**5) Carey John Marshall**CHIEF EXECUTIVE OFFICER  
COMFORTDELGRO CORPORATION AUSTRALIA  
(WA)

Mr Carey John Marshall is currently the Chief Executive Officer of ComfortDelGro Corporation Australia (WA). He was appointed Chief Executive Officer of Swan Taxis Pty Ltd on 6 November 2017. Prior to joining the Group, Mr Marshall was the General Manager, Australia for ASCO, a leading global oilfield support services business. He spent many years in the transportation and logistics industry across Australia. Mr Marshall holds a Master of Business Administration from the Australian Institute of Business.

## Business Units

CHINA



## Business Units

VIETNAM

## Business Units

MALAYSIA

### 6) Tay Chew Liang, Marc

CHIEF EXECUTIVE OFFICER  
CHINA BUSINESS UNIT

Mr Tay Chew Liang, Marc was appointed Chief Executive Officer of China Business Unit on 1 May 2018. He oversees all our operations in China. Prior to this, he was the Chief Executive Officer of the South China Business Unit, overseeing the operation of Guangzhou Xin Tian Wei Transportation Development Co., Ltd and Nanning Comfort Transportation Co., Ltd. Mr Tay has been named "Outstanding Station Manager" and ranked one of the "Top 10 Best Managers for Innovative Management" by the Chinese National Land Transport Association. He also received the "Outstanding Manager for Customer Satisfaction Award" in 2014 and 2015. Mr Tay began his career with the Singapore Airlines Group and has held senior management positions in many leading service organisations, including the Singapore Tourism Board, Intercontinental Hotel Group and the Ascott Group. Mr Tay has a wealth of experience working in China, having spent more than two decades there. Mr Tay holds a Bachelor of Business Administration from the National University of Singapore and attended a Senior Management Programme with the University of Hong Kong.

### 7) Tang Yew Meng, Richard

CHIEF EXECUTIVE OFFICER  
EAST CHINA BUSINESS UNIT

Mr Tang Yew Meng, Richard is the Chief Executive Officer of the East China Business Unit. He is responsible for the taxi operations in Shanghai, Suzhou and Nanjing. Prior to joining the Group, Mr Tang has a wealth of experience in the service industry, having worked in senior management positions in prestigious hotel management companies in Perth, Shanghai, Beijing and Guangzhou. Mr Tang holds a Diploma in Administrative Management (UK).

### 8) Lim Wee Jin, Dennis

CHIEF EXECUTIVE OFFICER  
WEST CHINA BUSINESS UNIT

Mr Lim Wee Jin, Dennis is the Chief Executive Officer of the West China Business Unit and is responsible for the Group's taxi, car rental, vehicle testing and driving school joint ventures in Chengdu. Prior to joining the Group in 2017, Mr Lim was Head, Global Operations, of YCH Group. He has commercial and operational experience in the logistics industry and held appointments as General Manager of business units in China and Vietnam for several years. He graduated from the University of Illinois, USA and holds a Bachelor of Science in Mechanical Engineering. Mr Lim also holds a Master of Science in Engineering (Economic Systems & Operations Research) from Stanford University and an Executive MBA from China-Europe International Business School, Shanghai, China.

### 9) Lim Chai Hwee

GENERAL DIRECTOR  
VIETNAM TAXI

Mr Lim Chai Hwee is the General Director of Vietnam Taxi Co., Ltd. Mr Lim joined the Group in 2006. He held appointments in Operations, Route Group Development and Safety departments of the bus business area of SBS Transit Ltd. Prior to joining the Group, Mr Lim has had stints in the security and financial industries. Mr Lim holds a Bachelor Degree in Engineering from the Nanyang Technological University.

### 10) Chia Wing Too, Eric

GENERAL MANAGER  
MALAYSIA BUSINESS UNIT

Mr Chia Wing Too, Eric joined the Group in May 2008 as General Manager of the car rental & leasing business in Malaysia. Mr Chia has had more than 30 years of experience in the automotive industry and has held appointments in various organisations, including senior management positions at Inchcape Motors Limited, Champion Motors (1975) Pte Ltd and Komoco Motors Pte Ltd. Prior to joining the Group, Mr Chia was the General Manager of Trans Eurokars Pte Ltd. Mr Chia holds a Master of Business Administration from the Macquarie University, Australia.

## OPERATIONS REVIEW



# SINGAPORE

**PUBLIC TRANSPORT SERVICES (BUS & RAIL) / TAXI  
AUTOMOTIVE ENGINEERING SERVICES / INSPECTION &  
TESTING SERVICES / DRIVING CENTRE / CAR RENTAL &  
LEASING / INSURANCE BROKING SERVICES / OUTDOOR  
ADVERTISING**

## 2,241.4

**Revenue (S\$'million)**

## 18,805

**Total Operating Fleet Size**

## 13,823

**Total Number of Employees**

### Public Transport Services

ComfortDelGro Corporation Limited is a leading provider of public transport services (bus and rail) in Singapore.

### Scheduled Bus

SBS Transit Ltd entered into its third year of operating under the Bus Contracting Model (BCM) in 2018, where the provision of bus services and the corresponding standards are all determined by the Land Transport Authority (LTA). Under this model, the Government retains the fare revenue and owns all infrastructure and operating assets such as depots and buses.

In March 2018, SBS Transit successfully rolled out the Seletar Bus Package, which was won in 2017. It comprised 26 bus services, 12 of which used to be operated by another operator. SBS Transit also took over the operations of the new Seletar Bus Depot, which is a purpose-built facility that can house up to 530 buses. It continued to manage the Ang Mo Kio and Yio Chu Kang bus interchanges which are part of the Package.

In November 2018, SBS Transit implemented its second BCM tendered package – the Bukit Merah Bus Package – with 18 services. It also took over the newly-built

102,000 square metres Ulu Pandan Bus Depot, which comes with Green features such as solar energy and NEWater for non-potable purposes. The Depot has a modern workshop that is equipped with augmented reality (AR) smart goggles for maintenance works, and can cater to 470 buses. It also has an air-conditioned canteen, comfortable rest rooms with free Wi-Fi access and recreational amenities.

The Ulu Pandan Depot also houses the Public Transport Industry's Bus Technical Specialist Certification Centre (BTSCC) to raise professional standards for bus engineering and technical staff as part of the LTA's Singapore Bus Academy.

In March 2018, SBS Transit had to shut down the New Bridge Road Bus Terminal to make way for developments in the area. Bus operations from this Terminal were then transferred to a new facility known as the Kampong Bahru Bus Terminal where it continued to operate the same eight bus services. Developed by the LTA, this Terminal comes under the Bukit Merah Bus Package.

In all, SBS Transit now operates seven bus depots, one bus park, 17 bus interchanges and 14 bus terminals.

During the year, SBS Transit rolled out two new services in 2018, which brought the total number of bus services that it operated to 222 and SBS Transit remained the largest public bus operator with a market share of 61.2%.

In 2018, SBS Transit took delivery of 289 buses from the LTA, which increased its total fleet by about 7% to 3,471. Its fleet of double deck buses also increased by about 8% or 109 to better cater to bus services with higher demand while its wheelchair accessible buses increased from 96.5% to 98.2%.

Since December 2018, SBS Transit has been involved in a six-month diesel electric hybrid bus trial with the LTA. Besides operating these buses on selected bus services, SBS Transit also operated autonomous buses on Jurong Island and Sentosa in an on-going trial with ST Engineering.

In the same month, SBS Transit also operated Singapore's first On-Demand Public Bus services in a six-month trial for the LTA to evaluate the feasibility of operating public bus services based on real-time commuter demand and along



dynamic routes. Conducted during off-peak hours on weekdays, it involves five of its bus services serving Joo Koon and Marina-Downtown areas. Using a mobile application (app), commuters can book a ride by requesting to be picked up and dropped off at any bus stop within the defined areas, even if the bus stops are currently not served by the same bus service.

More details on our scheduled bus operations can be found in SBS Transit's 2018 Annual Report.

### Unscheduled Bus

The Group's wholly-owned subsidiary, ComfortDelGro Bus Pte Ltd, operates employee and school bus charters as well as overland bus services to West Malaysia. It also operates premium bus services, and shuttle bus services for industrial parks, shopping malls, educational institutions and condominiums.

In 2018, ComfortDelGro Bus expanded its fleet through two acquisitions. In April 2018, it bought over AZ Bus Pte Ltd for S\$10.25 million, in what was one of

the largest acquisitions in the local bus charter industry to-date. The deal included existing charter contracts, 94 buses and associated drivers.

Three months later, ComfortDelGro Bus acquired the chartering assets of a second private bus operator, Ric-Tat Travel & Coach Services Pte Ltd and its associated companies for S\$6.45 million. This acquisition included existing charter contracts, 72 buses and associated drivers. Including sub-contractor's buses, the total fleet operated by ComfortDelGro Bus grew to 722 buses during the year.

These two acquisitions have further cemented ComfortDelGro Bus' position as Singapore largest private bus charter operator.

That heavyweight title has helped in clinching contracts such as the 10-year Shell Eastern Petroleum (Pte) Ltd contract to provide bus transportation services in Pulau Bukom. In all, the Company successfully tendered for 18 new contracts, renewed 12 existing ones, and continued to provide school bus services to seven schools. It also continued to

provide bus services for events such as the Republic of Singapore Air Force Open House, Chingay Parade, Istana Garden Party, National Day Rally, National Day Investiture, as well as marathon and sports activities such as the Standard Chartered Marathon, Yellow Ribbon Run and OCBC Cycle.

On 6 August 2018, ComfortDelGro Bus launched an on-demand booking mobile app – CDG Bus OnDemand – which guarantees commuters a seat on its buses. Commuters can make multiple bookings for multiple passengers up to 24 hours in advance, and store regular pick-up and drop-off points as "Favourites". They can also track the status of buses prior to their arrival, and pay for their seats using both debit and credit cards.

Beyond just offering private bus charter services, ComfortDelGro Bus has also been trialling new technologies.

In November 2018, the ComfortDelGro Group embarked on a trial of advanced telematics devices in a fleet of 100 vehicles, including buses and taxis. Data collected by these solutions will be used to help

## OPERATIONS REVIEW



our drivers, including ComfortDelGro Bus drivers, achieve safer and smarter driving habits.

In December 2018, the Group also announced plans to trial an autonomous shuttle bus service in real traffic conditions at the National University of Singapore's (NUS) Kent Ridge campus – with a view towards a commercial roll-out if successful. The year-long autonomous bus shuttle operational trial, which will involve Inchcape Singapore and Toulouse-based EasyMile Pte Ltd, will be carried out using the EasyMile EZ10 autonomous shuttle that is operated by ComfortDelGro Bus.

This first-of-its-kind of trial in Singapore is significant as it will be operating in real mixed traffic conditions, alongside regular buses, cars and motorcycles. The shuttle, which has a total carrying capacity of 15 passengers, runs entirely on electricity and benefits from the latest in Autonomous Vehicle (AV) technology combining robotics and artificial intelligence, to operate and navigate on existing roadways with no additional infrastructure required. It will also rely on its own internal array

of software and hardware technologies for its navigation on the roads, without any assistance of external infrastructure.

To-date, three safety operators and three maintenance staff from ComfortDelGro Engineering Pte Ltd have been trained to operate and maintain the autonomous shuttle bus.

Manpower recruitment remained a key challenge. To retain and attract new bus drivers, ComfortDelGro Bus conducted a salary adjustment exercise in 2018. As a result, more bus drivers were recruited.

### Rail

For the year under review, demand for SBS Transit's rail services continued to increase with close to 428 million passenger trips made in 2018, representing a double-digit growth of 20.2% over the previous year.

The increase can be attributed largely to the Downtown Line (DTL), which became fully operational in October 2017. The ridership on the DTL soared from 101.9 million in 2017 to 164.1 million in 2018. Ridership on the 16-station North East Line

(NEL) also grew by 2.7% to 215.8 million while demand on the Sengkang-Punggol LRT (SPLRT) systems increased by 8.9% to 48.0 million in 2018.

In tandem with the increase in passenger demand, more train trips were operated. A total of 309 weekly trips were added to the schedules of the NEL and DTL while 2,071 weekly trips were added to the SPLRT.

LRT services were enhanced with the start of bi-directional services on the Punggol West Loop in September 2018. With this service enhancement, all loops on the SPLRT now operate bi-directional services throughout the day. To-date, all 29 stations on the SPLRT are opened for passenger service except for Teck Lee Station on Punggol West Loop.

With the three rail lines spanning a combined total of 82km, SBS Transit's market share of the rail network is 36.3%. In all, it operates a total of 78 stations and a fleet of more than 190 trains.

In rail reliability, the NEL clocked 1.37 million train-km in Mean Kilometre



Between Failure (MKBF) in 2018, which more than doubled the 663,000 train-km clocked in 2017 while the DTL clocked 928,000 train-km compared to the 650,000 train-km recorded in 2017. Overall, they outperformed the nationwide MRT network which clocked an average of 690,000 train-km. SPLRT achieved 216,000 train-km while the nationwide LRT network's average was 82,000 train-km.

On 1 April 2018, the NEL and SPLRT systems transited to the New Rail Financing Framework (NRFF) – joining the DTL, which has been operating under this framework since 2011. With the NRFF, SBS Transit has been granted a 15-year licence to operate the two lines until 31 March 2033.

More details on our rail operations can be found in SBS Transit's 2018 Annual Report.

## Taxi

ComfortDelGro Taxi remained Singapore's largest taxi operator with a combined fleet of about 12,390 Comfort and CityCab taxis, translating into a market share of 60%.

2018 started off with the termination of the proposed tie-up with Uber Technologies Inc, following its exit from Asia. The competition became more stable. The Company started to provide weekly incentives for cabbies and pushed out marketing promotions in April 2018.

Cabbies, who achieved job targets or more, were rewarded with weekly incentives. An enhanced incentive scheme, which rewarded cabbies for every completed booking job during peak hours, was also implemented in September 2018.

Marketing promotions such as the "Football Frenzy predict-and-win" contest in June 2018, which was organised in conjunction with World Cup 2018, discounts off fares during off-peak hours and midnight as well as discounts for MasterPass™ by Mastercard payments were well-received.

Technical enhancements such as Autobid and Soon-To-Clear features that were made to the Mobile Data Terminals (MDT) to increase the chances of our cabbies getting booking jobs were also well-received.

WeChat Pay, a very popular payment method in China, became available on board ComfortDelGro taxis in April 2018. In October 2018, ComfortDelGro Taxi revamped its mobile booking app for iOS devices. It was given a complete makeover, including a new logo and a new user interface. The Android version will be rolled out in 2019.

As a result of these concerted efforts, ComfortDelGro Taxi's volume of booking jobs for 2018 increased by 7.4%, with bookings made via the app contributing to the biggest jump. Its cashless payments also increased by 9% to S\$390 million in 2018.

ComfortDelGro Taxi continued to conduct both the Taxi Driver's Vocational Licence (TDVL) and Private Hire Car Driver's Vocational Licence (PDVL) Courses. With the taxi industry regaining some form of stability in 2018, more applicants opted to attend the TDVL Course. In all, over 17,400 trainees attended these courses, with a high passing rate of at least 85%. As some drivers started to return to becoming cabbies, ComfortDelGro Taxi



## OPERATIONS REVIEW

had, in July 2018, placed order for about 900 new petrol-electricity hybrid taxis from Hyundai and Toyota.

It also put two fully-electric Hyundai Ioniq taxis on trial in July 2018. Unlike existing electric taxis in Singapore that take a couple of hours to charge, this model charges fully in just under 30 minutes. A fully charged electric Ioniq taxi travels more than 200km, but the cost of charging it fully is only a-third of the cost of diesel for the same distance.

In January 2019, the trial was expanded to include the latest Hyundai long-range fully electric vehicles (EV). The Hyundai Kona Electric taxi comes with a 64 kWh lithium polymer battery – twice the power of the battery of the fully electric Hyundai Ioniq. This means that this EV model is able to travel up to about 350km when fully charged. And, with Direct Current (DC) fast charging capabilities, the vehicle fully charges up in just under an hour.

Since March 2018, the Company's limousine services have been engaged to provide trips originating from the Marina Bay Cruise Centre. This has proven to be a hit with the cruise passengers and it also provided good income revenue stream for the limousine fleet.

Advanced telematics devices were trialled in a fleet of 100 vehicles, including ComfortDelGro taxis in November 2018. Data collected by these solutions will be used to help cabbies achieve safer and smarter driving habits.

Believing that healthy cabbies are happy cabbies, the Company provided them with access to a host of health-promoting options including the free use of gymnasiums and swimming pool every Wednesday. A "Check Car, Check Body" health screening and programme was also organised for the fifth straight year.

ComfortDelGro Taxi continued to top up and contribute to the Central Provident Fund (CPF) Medisave Accounts of its cabbies under the Medical Medisave Top-up Scheme as well as the Drive and Save Scheme.

Other financial assistance came from the Cabby Hardship Fund that was set up in December 2016 to aid its cabbies or their immediate family who require financial aid arising from death, total and permanent incapacity, as well as serious chronic medical conditions. In 2018,

S\$32,300 from the Fund was disbursed to assist 29 cabbies.

In addition to helping its cabbies, ComfortDelGro Taxi also helped with the educational fees of their children. In 2018, 833 Primary and Secondary level students received more than S\$100,000 worth of study achievement awards.

### Automotive Engineering Services

Our automotive engineering subsidiary, ComfortDelGro Engineering, maintains the Group's taxi fleet in Singapore.

To support the EV trial, ComfortDelGro Engineering became the first in Singapore to commercialise its DC fast charging station at the Group's headquarters in Braddell. ComfortDelGro Engineering plans to install another fast charging station at its Loyang branch in 2019.

With more petrol-electric hybrid taxis being rolled out by ComfortDelGro Taxi, ComfortDelGro Engineering upgraded four diesel kiosks – Braddell, Ubi, Changi and Yishun – to include the sale of petrol. This brought the total number of such kiosks to six out of a total of 14.

The Company's external car care business successfully secured new key accounts, including the maintenance of 239 vehicles operating at Pulau Bukom by Shell Eastern Petroleum, thereby boosting revenue for its corporate fleet maintenance business by 34%.

Building on its bus maintenance capabilities and leveraging on the proximity of its Pandan Workshop to the logistic hub in the western part of Singapore, ComfortDelGro Engineering started to offer maintenance services for prime movers. To-date, it has maintained about 70 prime movers and plans to do more in 2019.

In the area of bus maintenance, ComfortDelGro Engineering was appointed by Shaanxi Yanchang Petroleum Group Rubber Co., Ltd as the exclusive local distributor of its Duraturn Tyres, which are expected to be more durable and cost-efficient. It is also the distributor of Davanti Tyres.

As for accident repair, ComfortDelGro Engineering replaced the air-conditioning system on 598 Scania buses for SBS Transit, as well as spray painted 700 cars

for Komoco Motor Company and 300 vehicles for SP PowerAssets Limited.

It was also appointed the authorised repair workshop for MCV Bus and Coach, an Egyptian-based commercial vehicle manufacturing company.

During the year, ComfortDelGro Engineering bought a purposed-built machine for the re-conditioning of Diesel Exhaust Particulate Filters (DPFs). This machine uses hydro-chemicals to treat choked DPFs, making it more environmental friendly. It is also capable of treating severely choked DPFs, which would otherwise be disposed to the scrapyards.

### Inspection & Testing Services

As part of the Singapore Government's push for a car-lite society, a "zero-growth" policy for private cars and motorcycles has been put in place since February 2018. The growth rate for commercial vehicles will also remain unchanged at 0.25% per annum till the first quarter of 2021.

Concurrently, several schemes, such as the removal of all motorcycles registered before 1 July 2003 (pre-Euro motorcycles) by end-June 2028, were introduced while schemes such as the Early Turnover Scheme were enhanced to reduce the number of older and consequently less environmentally friendly vehicles on the road.

These measures have had an immediate impact on inspection volumes as a whole, with the total number of vehicles inspected in Singapore falling from 702,716 in 2015 to 625,940 in 2018. But the move towards a cleaner, greener environment has also generated demand for new and existing services.

Tightened exhaust emission standards in April 2018 also resulted in the introduction of a new high idle test and lambda measurement across all VICOM's Inspection Centres in the same month, which boosted its inspection business.

Regulatory requirements to have all petrol and diesel vehicles Euro 6-compliant, together with the introduction of the Vehicular Emission Scheme, resulted in a 35% increase in emission tests conducted by VICOM's Emission Test Laboratory (VETL).

The Vehicle Assessment Centre (VAC) continued to serve motorists who have

had accidents. During the year, VAC assisted 824 motorists with the repair of their vehicles at approved workshops and filed 13,004 accident reports.

The cobrand Credit Card with Diners Club, "V", continued to make its mark in the motoring industry, with the number of card members surpassing 35,000. The card provides a slew of motoring benefits including up to 21.27% in fuel discounts at Esso petrol stations, car grooming discounts and emergency breakdown services.

To boost VICOM Fit or VFIT, its pre-owned car evaluation service, VICOM teamed up with DBS Bank to offer visitors of DBS's online Car Marketplace a special inspection rate.

Despite fierce competition, VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO) managed to grow its business and secure several notable projects during the year.

It successfully tendered for the Building and Construction Authority's term contract for testing essential construction materials. It also secured a two-year contract to

conduct water testing, industrial hygiene and indoor air quality for one of its semiconductor clients.

Having started testing works on Package 1 for the Changi Airport Terminal 5 Project, SETSCO extended its involvement in the area of soil testing works to Package 2.

In the area of non-destructive testing and inspection, SETSCO won a major contract related to the construction of a floating production unit by a local shipyard. It also continued to provide non-destructive testing and inspection services to various engineering contractors and manufacturers as well as aerospace, aircraft maintenance and aviation services companies.

In the area of food and microbial testing, SETSCO secured three-year contract to conduct laboratory tests for food, ice and water for a hospital, starting October 2018.

During the year, SETSCO made inroads in the area of certification as it was appointed one of three assessment bodies by the Infocomm Media Development Authority to conduct independent audit on firms that wish to apply for the Data Protection Trustmark Certification.

SETSCO also introduced new testing services, including SAFERAD (Small Area For Exposure Radiography) radiographic testing, or sometimes referred to as close-proximity radiography. Typically used only at night due to radiation levels, SAFERAD can be performed during the day due to the lower levels of radiation emitted. This greatly improved operational efficiency.

SETSCO rolled out three-dimensional (3D) mapping services to check for possible deformation of in-service equipment due to abnormal operating conditions as well as the Pulsed Eddy Current technique to monitor the safety of equipment and piping in chemical plants and refineries.

SETSCO accepted an offer from the Jurong Town Corporation (JTC) for the surrender of lease of its property at 18 Teban Gardens Crescent, following the Government's plan to earmark the property for redevelopment. As part of the arrangement, it took up the offer to rent the property up to 31 December 2020.

In October 2018, SETSCO purchased a new property located at 531 Bukit Batok Street 23 from the open market,



## OPERATIONS REVIEW



which has a much longer tenure as well as larger space for testing activities, as a replacement site. Work on the property is expected to commence in the second quarter of 2019 and to complete by 2020.

More details on our inspection and testing business can be found in VICOM's 2018 Annual Report.

### Driving Centre

ComfortDelGro Driving Centre Pte Ltd, which provides learner driver training services in Singapore, saw enrolment increase by close to 5% in 2018.

For the convenience of learner drivers living in the eastern part of Singapore, ComfortDelGro Driving Centre added a second practical training pick-up point in Tampines, on top of its branch in Kovan. The aim of the new pick-up point was to bring training closer to learners' homes. It deployed the first training car there in September 2018, followed by a second in November to meet strong demand. To-date, four training cars have been deployed there. Plans are in the pipeline to ramp up the number of training cars at the Tampines outpost in 2019.

ComfortDelGro Driving Centre also continued its efforts to expand its corporate training services by offering non-licensing courses, such as the Defensive Driving Course, to large corporations. The response has been positive.

As simulation training will be made mandatory for all motorcar and motorcycle

learners in 2019, a two-month trial involving a motorcar and a motorcycle simulator was carried out at the Centre in February 2018. Demand for simulation training is expected to grow. To cater to this demand, ComfortDelGro Driving Centre plans to purchase six units of motorcar simulators and two units of motorcycle simulators in 2019.

In line with the Centre's efforts to increase the use of technology in its operations, new initiatives were implemented to enhance the learner drivers' experience during the year.

In February 2018, the Centre launched the Vehicular Pre-Operative Checks Curriculum in which instructors provided hands-on knowledge of pre-drive checks using content that has been uploaded onto a tablet. This enabled instructors to efficiently train a few learner drivers at the same time instead of just one.

Training manuals for Class 3 and 3A Licence Courses also went digital, replacing the tedious and labour-intensive process of having to manually update them.

Even the photography service provided at the Centre for learner drivers, who needed to process their Qualified Driving Licence (QDL) after passing their driving tests, went digital in October 2018. To make the application process seamless, learner drivers could have their photographs taken at the digital photography facility provided at the Centre. These digital photographs were then uploaded onto the Centre's Resource Management System and transmitted to the Traffic

Police Electronic Licensing and Testing System so that learner drivers could apply the QDL online.

The migration of its e-learning system into an upgraded Learning Management System, which provides learner drivers with the option to practise their theory tests online, commenced in October 2018 and is expected to be completed in 2019. Plans are underway to introduce gamification to the e-learning and e-trial tests in 2019 to further improve the learning effectiveness and experience. Moving forward, a mobile app that enables learner drivers to book for lessons, pay for fees via an e-wallet and receive notifications, will be developed in 2019.

On 28 September 2018, ComfortDelGro Driving Centre partnered Borneo Motors Singapore and Toyota Motor Asia Pacific to launch the "Start Your Impossible" global campaign for a more inclusive, sustainable and mobile society. As a partner, ComfortDelGro Driving Centre is providing a complimentary half-day Drive Safe Course to all new Toyota vehicle owners, while existing Toyota vehicle owners have been invited to attend the same course under Toyota's loyalty programme. About 30 Toyota vehicle owners completed the course which commenced in January 2019, with more owners scheduled to attend it soon.

### Car Rental & Leasing

Our car rental & leasing subsidiary, ComfortDelGro Rent-A-Car operated a fleet of 1,077 cars, of which 180 were brand new in 2018.

With many corporate clients still keeping a tight budget, ComfortDelGro Rent-A-Car focussed on promoting longer term contracts at attractive rental rates for its used vehicles.

To retain existing customers, it replaced old cars with new ones even before the contracts expire and continued to push out differentiated customer retention programmes on a quarterly basis.

Following the revamp of its corporate website, ComfortDelGro Rent-A-Car plans to roll out a mobile app that will enable customers to interact with the Company while on-the-go. Functions such as online payment, electronic quotations and invoices as well as notifications will be built into the app.

In November 2018, the Group trialed advanced telematics devices in 100 of its vehicles, including rental cars belonging to ComfortDelGro Rent-A-Car. Data collected by these telematics solutions will be used to help the Company assess its asset and credit risk management, understand and apply driver behavioural data in motor insurance management as well as enhance customers' experience.

In December 2018, ComfortDelGro Rent-A-Car ventured into the private-hire vehicle business with the aim of renting out 70 used 1,500 to 1,600cc vehicles. Motor insurance for these vehicles was extended to include private-hire usage, and drivers who rent from the Company will enjoy preferential discounts for petrol at ComfortDelGro Engineering's petrol kiosks.

### Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd, whose remaining 51% stake was acquired by ComfortDelGro in the first quarter of 2018, continued to perform well for the year under review.

In Singapore, ComfortDelGro Insurance Brokers's principal activities relate to the provision of risk protection and transfer solutions through the disciplines of insurance broking, employee benefits consulting, as well as risk and claims management.

During the year, it worked with a local fitness company in Singapore to offer a fun, innovative and hi-tech medical kiosk to help improve the overall health and wellness of its employees. The medical kiosk, a Health Sciences Authority-approved Class B medical device that is made in Singapore, measures 13 health indicators of an individual in 60 seconds. Through Big Data analysis and individual statistics, it offers a holistic wellness solution to organisations intent on building a sustainable, proactive and preventive health and wellness virtuous cycle.

ComfortDelGro Insurance Brokers, which also specialises in handling large commercial motor fleets, stayed ahead of emerging technologies and risk trends by placing customised insurance for Singapore's first-of-its-kind autonomous shuttle bus on trial. This autonomous shuttle bus, which will operate in real mixed traffic conditions, alongside regular buses, cars and motorcycles, will commence in 2019.

ComfortDelGro Insurance Brokers continued to assist the Group's Business Units in Singapore and overseas in structuring cost effective insurance and claims management programmes. It also organised a briefing to staff on the Cybersecurity Act that was passed in March 2018, covering key topics such as the duties and responsibilities on owners of Critical Information Infrastructure.

### Outdoor Advertising

2018 was a challenging year for Moove Media Pte Ltd due to the disruption brought about by new media and reductions in media spend by advertisers.

With 20% of SBS Transit bus fleet controlled by the LTA under the Negotiated Contracts (NC), and a drop in the number of Jewel Top taxis, the demand for both bus and taxi advertising platforms fell. Rail advertising demand, on the other hand, remained steady.

To cushion the impact, Moove Media worked at improving its taxi offerings to advertisers, such as the In-Taxi Entertainment Screens that it had installed in 3,000 ComfortDelGro taxis in partnership with Asia's leading in-vehicle platform provider, IDOOH, in April 2018.

These entertainment screens, which offer news and bite-sized content, proved to be an effective platform when it came to engaging passengers during their rides. Burger King®, for example, ran a successful

interactive campaign on the screens, garnering close to 18,600 engagements. Its campaign even won Bronze in the "Best Martech Solution-Gaming/Gamification" category at the Spark Awards 2018.

Moove also introduced the BIG Top Plus concept in September 2018, an extension of its BIG Top concept that was launched in 2017. The BIG Top Plus bus allows for more creativity as die-cuts provide more media space for advertisers.

As always, Moove Media put in extensive effort to create eye-catching 3D advertisements on buses. These included the 1:5 scale racing car replicas on bus rooftops as part of the Singapore Grand Prix advertising campaign in August 2018, and even a 3D ship for Maritime Singapore.

In October 2018, Moove Media was the first to be given the green light by the LTA to hold actual non-revenue route trials for a Digital Light-Emitting Diode (LED) Panel Strip Bus as a way to study how light and colours impact advertisements. The takeaways from the trial will enable Moove Media to develop new and more vibrant digital mobile display platforms in 2019.

Throughout the year, Moove Media continued to partner and work closely with the Authorities to roll out festive-themed trains and buses during Chinese New Year, Deepavali and Christmas. These trains continued to be well-received by commuters.



OPERATIONS REVIEW

# UNITED KINGDOM

ABERDEEN / BARRY / BRIDGEND / CARDIFF  
 DUNDEE / EDINBURGH / GLASGOW / INVERNESS  
 LIVERPOOL / LONDON / NEATH / NEWPORT  
 PERTH / PONTYPRIDD / STIRLING / SWANSEA

BUS / COACH / TAXI RADIO CIRCUIT  
 PRIVATE CAR HIRE



**867.0**

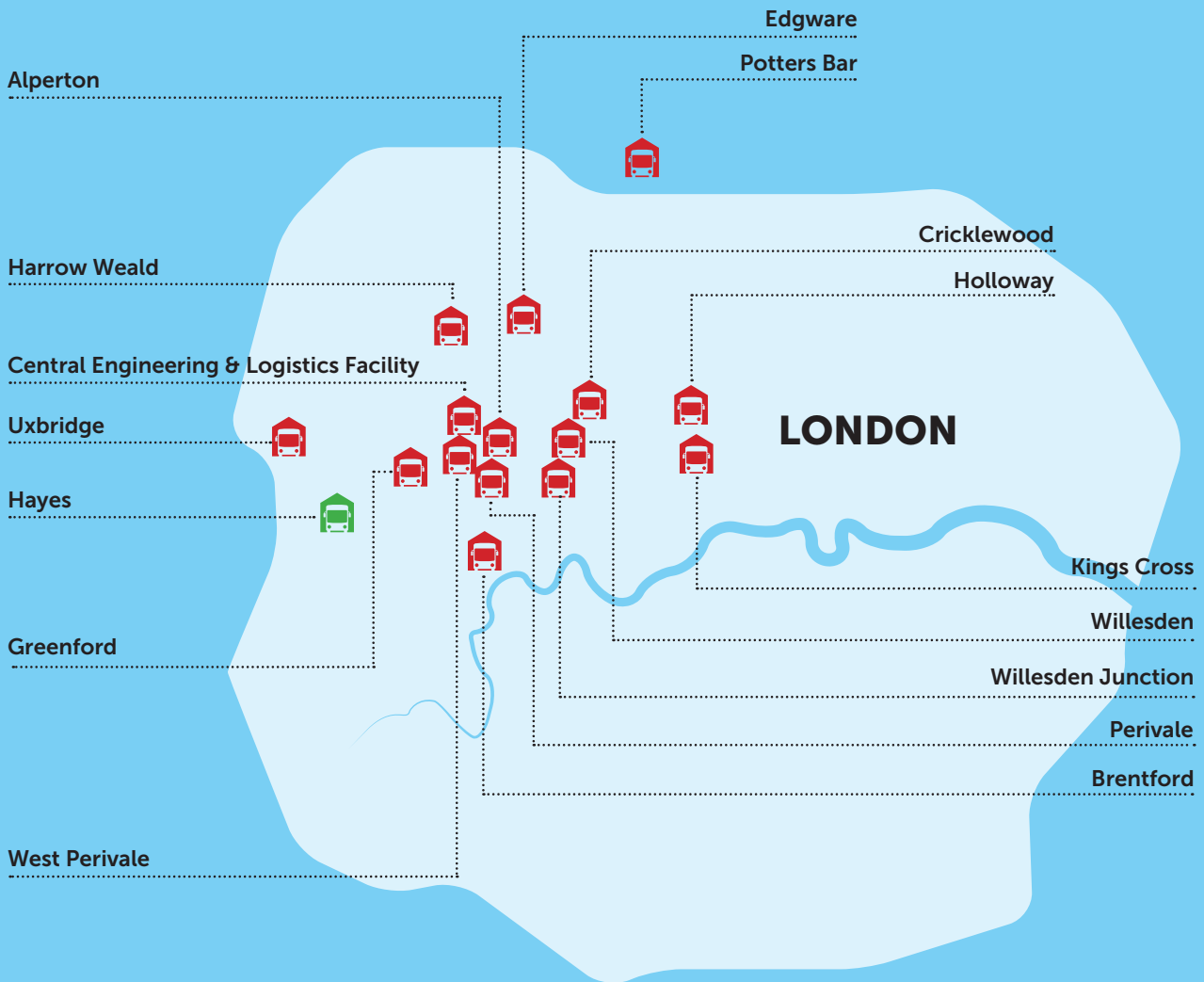
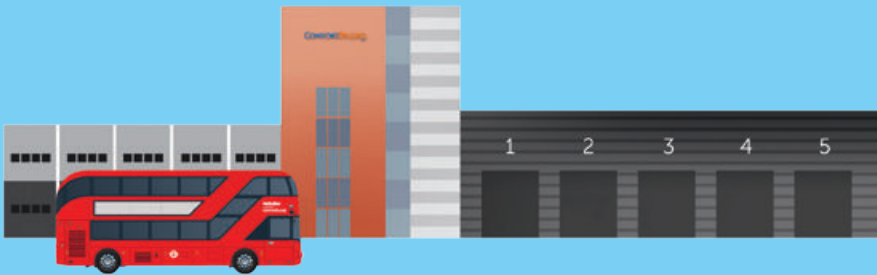
Revenue (S\$'mil)

**8,583**

Total Operating Fleet Size

**6,096**

Total Number of Employees



Metroline Garage



Westbus Coach Services Garage

## OPERATIONS REVIEW

### ENGLAND

#### London

##### Bus

In the United Kingdom (UK), ComfortDelGro Corporation Limited's wholly-owned subsidiary, Metroline Limited, retained its position as the second largest bus operator in London with a fleet of close to 1,830 buses. It runs around 19% of London's scheduled bus mileage and plys routes mainly in North, West and Central London.

Out of the twelve contracts that expired in 2018, Metroline successfully retained seven and won another eight, resulting in a net gain of three contracts.

In 2018, Metroline began operating 23 fully-electric single deck buses on Route 46 after the installation of new charging units at the Holloway Garage. Following a successful three-year fully-electric bus trial, Metroline will commence the operation of these environmentally friendly buses on Route 43 from Holloway Garage and Route 134 from Potters Bar Garage in 2019. By mid-2019, Metroline will be operating nearly 100 fully-electric buses. The next generation of hydrogen buses is also expected to be introduced in mid-2020.

With the launch of the Metroline Centre of Skills and Development in 2017, a new driver apprenticeship – the first of its kind in London – was launched in November 2018. Selected apprentices will be involved in modules designed to help develop confidence and encourage

skills development, with practical hands-on and classroom-based training over a period of 12 months.

At the UK Bus Awards in 2018, of the 77 garages in the City, Metroline's Perivale Garage was shortlisted as a finalist in the "Best London Bus Garage" category.

##### Coach

Based in London, Westbus Coach Services Limited provides executive coach services across the UK and mainland Europe, catering to a wide spectrum of school, commuter, tourist and corporate coach passengers.

Westbus continued to diversify its customer base to include incoming tourism, event-hire, corporate and private hire, cruise ship passenger transfers, school and student travel, as well as home-to-school services.

Further inroads were made in targeting Asian tourists visiting the Continent. In all, the Asian market experienced a 9% increase, while the Japan market, in particular, registered an 11% increase during the year.

##### Taxi Radio Circuit

On 15 May 2018, CityFleet Networks Limited, through its wholly-owned subsidiary, Computer Cab plc (operating under the 'ComCab' brand) acquired the business and assets of Dial-a-Cab Limited, increasing its fleet size by 1,100. In so doing, it became London's largest black taxi operator with a fleet of 3,000,

and helped to strengthen the Company's market share of corporate customers.

During the year, the London Councils and Transport for London (TfL) awarded CityFleet Networks with the Taxicard and Dial-A-Ride contract for another three years, with an option for a fourth. Taxicard is the largest public sector day-to-day transport service in London for passengers with serious mobility or sight impairments. The contract covers all 32 London boroughs and the City of London. CityFleet Networks has, through its taxi subsidiary Computer Cab, held this contract for more than three decades.

CityFleet Networks also continued to invest in technology to maintain its competitive edge. The development of its driver mobile application (app) was completed in 2018 and will be rolled out in phases to its fleet over the course of 2019. The app will also be made available to Dial-a-Cab and non-circuit drivers by mid-2019 to improve service delivery.

To further enhance operational efficiencies and security, the transfer of the Dataroom at Woodfield Road to a new site in Cricklewood was also completed during the year.

##### Private Car Hire

Flightlink International Limited provides hassle-free executive chauffeured car services for private hire and airport transfers under the ComfortExecutive brand.

#### Liverpool

##### Taxi Radio Circuit

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 406 black cabs, catering to both the corporate and individual clientele. It had a successful year with the retention of key accounts such as the Northwest Ambulance and Liverpool City Council contracts.

### SCOTLAND

#### Glasgow

##### Coach

The Group's partnership with Stagecoach Group plc, Scottish Citylink Coaches Limited, is the leading provider of express coach services with 94 coaches in Scotland





under the ‘Scottish Citylink’ and ‘megabus.com’ brands. It also operates a network of cross-border services between Scotland and major cities in England. All its coaches on major routes are fitted with Wi-Fi and USB charging facilities.

To remain competitive in the face of changing travel patterns and demands, Scottish Citylink Coaches kept its fares between Glasgow and Edinburgh priced below rail offerings. This, combined with Service 900 that serves 24 hours, seven days a week, helped to drive demand and revenue up.

Scottish Citylink Coaches received top honours at the 2018 UK Coach Awards in May. It was named “Top Express Operation for the Year” in recognition of the excellent connectivity and reliability of the services that it operates. It also won Silver in the “Innovation Award” category for the contactless payments that it offers across its entire fleet. Two of its employees clinched the top “Young Coach Industry Professional” Award and Gold in the “Unsung Heroes” category.

**Aberdeen**

**Taxi Radio Circuit**

Computer Cab (Aberdeen) Limited has the largest fleet of taxis in Aberdeen. The Company continued to work closely with its drivers and diversify its passenger base to those not directly susceptible to the volatility of the Oil & Gas Sector.

**WALES**

**Cardiff**

**Bus and Coach**

In February 2018, the ComfordDelGro Group expanded its bus and coach operations in the UK through the acquisition of New Adventure Travel Limited (NAT Group), one of the leading bus and coach operators in South Wales. With a market share of 11%, it is the fourth largest bus operator in the area.

The acquisition was significant as it marked the Group’s first bus operations expansion outside of London.

NAT Group operates a fleet of 154 buses and coaches across four depots in Cardiff, Swansea, Newport and Pontypridd. Based near the City Centre of Cardiff, it operates



scheduled bus services. It also has a fleet of coaches, which operates on local contracts, as well as UK and European private hire and holiday work. It also offers transport services to professional sports teams.

NAT Group, which is the only operator in Wales operating purely hybrid buses, purchased two new Euro 6-compliant Scania Touring coaches during the year. It also introduced a new contactless ticket payment system in more than half of its fleet, with the rest of its fleet scheduled to make the switch by 2019.

Although very few contracts were awarded by the local Authorities between January and October 2018, NAT Group successfully secured the Welsh Government’s first

Express Coach service between Aberystwyth and Cardiff under the TrawsCymru brand. Funded by the Welsh Government, the TrawsCymru longer distance bus services are part of the integrated public transport network in Wales that provide vital public transport for many communities across Wales, while also giving visitors an accessible, affordable and environmentally friendly option for exploring the scenic beauty of the country.

OPERATIONS REVIEW

# AUSTRALIA

ALICE SPRINGS / BALLARAT / BLUE MOUNTAINS  
 BROKEN HILL / CANBERRA / COFFS HARBOUR / DARWIN  
 EDGEWORTH / GEELONG / GLADSTONE / GRAFTON  
 JABIRU / MELBOURNE / MILDURA / MORISSET / NARRABRI  
 PARRAMATTA / PENRITH / PERTH / QUEANBEYAN  
 SAWTELL / SINGLETON / SUNSHINE COAST / THORNTON  
 TORONTO / SYDNEY / WEE WAA / WOOLGOOLGA / YASS

BUS / TAXI / NON-EMERGENCY PATIENT TRANSPORT SERVICES  
 OUTDOOR ADVERTISING



- ComfortDelGro Corporation Australia (CDC)
- Buslink
- Blue Mountains Transit
- Forest Coach Lines
- Moove Media Australia
- Coastal Liner Coaches
- National Patient Transport
- Purple Coaches
- Qcity Transit and Transborder Express
- Swan Taxis
- Taxi Fleet Management

503.4

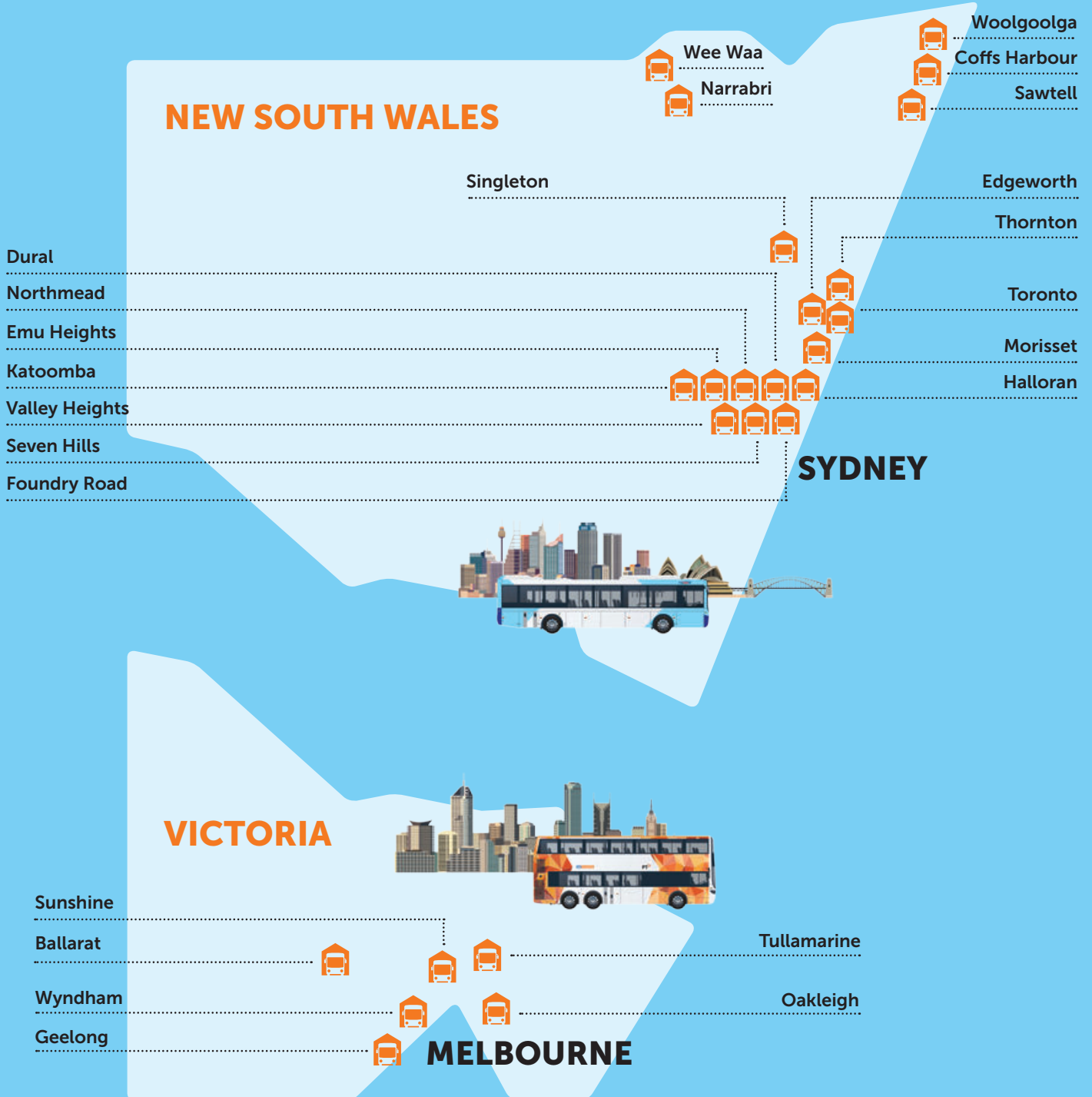
Revenue (S\$'million)

4,194

Total Operating Fleet Size

3,805

Total Number of Employees



## OPERATIONS REVIEW

### NEW SOUTH WALES

#### Sydney

##### Bus

We operate bus services in Sydney, New South Wales (NSW), through ComfortDelGro Corporation Australia Pty Ltd (CDC), which has been the Group's wholly-owned subsidiary since February 2017.

Early in the year, CDC acquired Coastal Liner Coaches which operates Region 11 in the Central Coast and luxury coach tour packages for theatre performances, concerts and day tours for individuals and small groups.

In August 2018, CDC expanded its fleet in NSW with the acquisition of FCL Holdings Pty Limited, which runs Forest Coach Lines in Sydney and a number of rural and regional contracts in the North Coast in September 2018. Founded in 1930, FCL runs a fleet of 220 buses spread over eight depots, Forest Coach Lines operates Region 14 and school charters in Sydney's North Shore as well as rural contracts in the Northern NSW. On top of these, CDC acquired two freehold depot sites – the Terrey Hills Depot and the Toormina Depot – for the operation of these bus services.

These acquisitions expanded CDC's NSW operating footprint to Coffs Harbour, Sawtell, Woolgoolga, Narrabri, Wee Waa and the Central Coast.

In November 2018, the Group announced its single biggest acquisition in Australia yet – that of Buslink, one of Australia's largest privately-owned bus businesses.

The acquisition of Buslink Pty Ltd, Buslink Southern Pty Ltd and their 11 corresponding depots, provided ComfortDelGro with immediate access to the Northern Territory and Queensland and enabled it to grow its existing bus operations in Australia beyond NSW and Victoria. With the acquisitions of these new bus companies in 2018, CDC is now the leading private operator in Australia.

On 18 January 2018, CDC launched an on-demand service in the Carlingford-Epping area as part of the Transport for NSW (TfNSW) pilot. The on-demand service, which is facilitated using a mobile application (app) that was developed by the Group's Information Technology team, received positive feedback from TfNSW and passengers alike. The trial will run till mid-2019. Separately, CDC is in the final stages of discussion with TfNSW to launch similar style on-demand services in other parts of NSW.

In partnership with Transdev, CDC has been operating Station Link, a new high frequency bus service which temporarily replaces train services while the rail line between Epping and Chatswood is being upgraded. The service, which commenced operations on 30 September 2018, will stop when Sydney Metro Northwest opens in mid-2019. As part of the seven-month long project, CDC and Transdev acquired

a total of 124 buses and recruited close to 200 bus drivers and marshals for this bus service.

Following the successful implementation of the Mobileye system across the entire Region 4 fleet in 2018, CDC embarked on a telematics trial in one of the Region 4 depots. The telematics system, which is similar to the telematics trial undertaken by the Group in Singapore, will further enhance safety by providing feedback to the drivers and Management whenever harsh braking, speeding and sharp cornering is detected. Management will also be alerted to excessive idling of buses, thereby reducing fuel consumption and improving environmental friendliness.

During the year, CDC in NSW rebranded its bus chartering business with the injection of new coaches and a new business focus. Called CDC Travel, it targets higher value and large-scale corporate clients to supplement its existing pool of school charters. Its efforts paid off as it successfully tendered and won a new three-year contract to provide 15 shuttle buses for Western Sydney University. Separately, our newly acquired business, Forest Coach Lines, also expanded its school charter business by winning a three-year contract to provide six buses for a private school in the North Shore. Both contracts commenced in January 2019.

In independent surveys conducted by TfNSW, all of CDC's NSW contracts maintained their high ratings in 2018. Customer satisfaction for Hillbus and Forest Coach Lines as well as CDC's Sydney metropolitan contracts exceeded the regulatory benchmark of 85%. A key element of the metropolitan (and outer metropolitan) contracts is an extensive Key Performance Indicator (KPI) regime. Both Hillbus and Forest Coach Lines met the On-Time Running Key Performance Indicator (KPI) throughout the year.

#### Non-Emergency Patient Transport Services

In April 2018, the Group added a new business to its portfolio – that of non-emergency patient transportation. This was achieved through a S\$30.2 million (A\$30 million) acquisition of the National Patient Transport Pty Ltd (NPT) which has 144 vehicles in its fleet.

Headquartered in Melbourne, NPT is one of Australia's leading providers of private non-emergency patient transport,



operating across Victoria, NSW and Western Australia (WA). It offers a range of healthcare transport services to state government ambulance utilities and directly to major metropolitan hospital networks including walker, hoist and stretcher transport services and specialist services for high acuity and complex patients. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

NPT has been the first private provider of patient transport services to NSW Health, which is responsible for the public health system in NSW since 2016. In 2018, NPT doubled its fleet serving NSW Health to 36.

### Outdoor Advertising

Moove Media Australia Pty Ltd reached record occupancy rates in the fourth quarter of 2018 with several of its advertising formats sold out for consecutive months.

Additional bus advertising sales opportunities were also created through the new acquisitions by CDC in 2018. The inclusion of new bus network areas allowed Moove Media Australia to extend coverage in Sydney and Melbourne. Since October 2017, Moove Media Australia also commenced offering and implementing taxi advertising in Perth, Western Australia.

The Customer Relations Management software solution which was introduced in 2017 was well used by all sales staff to deal with a wider range of businesses and opportunities. This resulted in a 30% sales increase in 2018.

The sales presentation deck was also redesigned to include relevant maps and statistics to represent the coverage and strengths of Moove Media Australia's campaigns. To meet demand, tiered pricing was introduced for bus media spaces.

### Blue Mountains and Hunter Valley

#### Bus

With the acquisition of the Coastal Liner Coaches in 2018, CDC added another 30 buses to its operation in Hunter Valley, and successfully integrated Coastal Liner Coaches' Outer Region 11 operations with Hunter Valley's Outer 2 and 4 operations.

On 3 April 2018, CDC rolled out new tour services to the Jenolan Caves as well as



the Orient, Chifley, Lucas and the River Caves in the Blue Mountains.

Both the Blue Mountains Transit and Hunter Valley services met all their contract KPIs in 2018. In terms of customer satisfaction levels, both services also exceeded the benchmark of 85% in independent customer satisfaction surveys conducted by the TfNSW.

### Queanbeyan

#### Bus

The Qcity and Transborder fleet of 116 buses carried over 1.5 million passengers in 2018. Qcity Transit provides route and school bus services to the community of Queanbeyan in NSW while Transborder Express operates route and school bus services in the community of Yass, with direct services operating between Yass and Canberra. Both Qcity and Transborder Express operate services under the Rural and Regional Contracts with the NSW Government. Separately, Qcity was awarded the contract to operate the special events buses for the Australian Capital Territory (ACT) in 2018 and 2019.

### VICTORIA

#### Melbourne

#### Bus

CDC operates essential bus services across the Western and Eastern suburbs

of Melbourne, as well as Ballarat, Geelong and Mildura.

Two new operations were added to the business in Victoria during the year – Tullamarine Bus Lines Pty Ltd, which has since been renamed CDC Tullamarine Pty Ltd, and NPT. With the acquisition of Tullamarine Bus Lines, CDC is now the third largest operator in Melbourne, representing about 16% of market share in the City.

Tullamarine Bus Lines, which operates seven bus routes under contract with Public Transport Victoria, is a family-owned bus company located close to Melbourne's Tullamarine Airport in the north-west of Metropolitan Melbourne. Significantly, it is located just 9km away from CDC Victoria's Sunshine Depot. Besides the public buses, Tullamarine Bus Lines also operates contracted school services.

In August 2018, CDC successfully negotiated and secured a seven-year contract for new metropolitan bus services in Melbourne. The new bus contracts operating in Metropolitan Melbourne include a range of customer-focussed KPIs that have bonuses and penalties. The Government has also committed to negotiating new bus contracts for CDC's Ballarat, Geelong and Mildura operations, which are due to expire on 30 June 2021.

A marketing reboot of its charter business in Melbourne, including meeting existing and new customers and a strong focus on delivering a quality outcome, resulted in

## OPERATIONS REVIEW

a 25% increase in revenue for the year. New contracts and services such as the stand-by train replacement services run by Metro Trains Melbourne and contracts to operate school services also helped unlock growth in the charter business.

As a community-focussed bus operator, CDC ramped up sustainability efforts in 2018 with an order of 50 hybrid buses to be delivered over four years. This order of Volvo Euro 6 hybrid buses will replace 50 diesel buses that have reached their statutory lifespan. The first batch of 30 hybrid buses will be in operation by 2019. CDC's mechanics will be trained to handle the battery and electric elements of these hybrid vehicles. This training will allow CDC to transition its diesel mechanics as vehicle drivetrain technology moves rapidly toward full electrification.

To improve productivity and shore up operating performance, CDC appointed a Head of Network Performance and assembled in a Business Development team in 2018. These appointments helped the Company drive up the quality of service standards and support acquisition efforts across CDC.

### Taxi

Through the Tullamarine Bus Lines acquisition, CDC now operates 43 taxis in Melbourne. An order of 30 Hyundai Ioniq hybrid was placed in December 2018 as part of plans to grow the fleet.

### Non-Emergency Patient Transport Services

With its headquarters in Melbourne, NPT offers a range of healthcare transport services to state government ambulance utilities and directly to major metropolitan hospital networks including walker, hoist and stretcher transport services and specialist services for high acuity and complex patients. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

During the year, NPT successfully secured a contract increase of 32 vehicles for Ambulance Victoria to become its largest provider of patient transport services.

Other key customers included Monash (Southern) Health, Eastern Health and Alfred Health, which are the three largest public health services in Victoria.

## WESTERN AUSTRALIA

### Perth

#### Taxi

2018 was a challenging year for Swan Taxis Pty Ltd due to weakening economic conditions and increased competition.

Despite that, Swan Taxis managed to secure two new major contracts. The first was with Menzies Aviation, in which the Company provides transport services for grounded passengers to and from the Perth Airport, while the second was with the Brightwater Group to ferry aged and disabled clients.

Swan Taxis, which provides point-to-point parcel delivery service, continued to promote the service online and through radio advertisements during the year. This resulted in an increase of 21% in volume.

In a bid to remain competitive, a Business Development team was formed. The team successfully used Taxi Butler, a device that facilitates the booking of taxis, to enable key hotels to book its taxis more conveniently.

Swan Taxis also continued to promote its Flat Fare option via the ComfortDelGro Swan Taxis App, offering passengers up to 20% in discounts to bolster demand.

As its Colour Taxis Scheme rolled out in 2016 was well-received, Swan Taxis went on to launch the Pink Taxis WA in June 2018. These strikingly pink taxis are driven by female drivers for women and families who may feel unsafe travelling in taxis driven by male drivers. Eleven pink taxis were branded to provide the service.

To maintain and grow its pool of drivers, Swan Taxis carried out different initiatives throughout the year. Taxi drivers and staff were offered incentives, including free training, discounts and monetary rewards, when they successfully referred new drivers to the Swan Taxis' network.

To manage the standard of taxi drivers and vehicles, on-road supervisors were deployed. A compulsory vehicle maintenance check on all vehicles was also implemented to improve vehicle standards.

### Non-Emergency Patient Transport Services

With the S\$30.2 million (A\$30.0 million) acquisition of NPT, the Group now operates non-emergency patient transport services in Perth. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

Its key customers include WA Health, the State's public health system, Hollywood Private Hospital of Ramsay Health Care Group and St John of God, which extended its national contract in 2018.

### Bus

Swan Taxis Pty Ltd made its entry into the bus and coach business in WA by acquiring the assets of Purple Coaches on 27 August 2018. This Perth-based bus company operates coaches that serve schools, private charters and tours. During the year, it added three more coaches, bringing its fleet to 21.





# CHINA

BEIJING / CHENGDU / GUANGZHOU / JILIN / NANJING / NANNING  
SHANGHAI / SHENYANG / SUZHOU

BUS STATION / TAXI / ONLINE CAR HAILING SERVICE  
CAR RENTAL & LEASING / DRIVING CENTRE

## 163.5

Revenue (S\$'million)

## 11,302

Total Operating Fleet Size

## 815

Total Number of Employees

### NORTH CHINA

#### Beijing

##### Taxi

With a fleet of 5,501 taxis, translating into a market share of 8.3%, Beijing Jin Jian Taxi Services Co., Ltd, is the Capital City's third largest taxi operator.

In 2018, the Beijing Municipal Government continued with efforts to protect the welfare of taxi drivers whose incomes had been hit by the growing popularity of third-party applications (apps). These measures included requesting taxi companies to sign labour contracts with taxi drivers, capping

rental fees and the 'security deposits' paid by taxi drivers, monitoring fuel operating costs and controlling the source of taxi drivers. In addition, the local Government stopped providing subsidies for the replacement of taxis.

To mitigate the impact of these measures, the Company converted a number of taxis to private-hire vehicles when they were due for replacement. A total of 583 vehicles were replaced during the year, with about half of the fleet converted to private-hire. About a-tenth of the new vehicles were hybrid Hyundai Sonatas which run on both electricity and petrol. The Company plans to operate about 500 private-hire vehicles by the end of 2019.

To attract more taxi drivers to join its ranks, the Company continued to reach out to retirees and retrenched workers from state-owned enterprises.

#### Jilin City, Jilin Province

##### Taxi

Our 97%-owned subsidiary, Jilin ComfortDelGro Taxi Co., Ltd, is the City's largest taxi operator with a fleet of 729 taxis, translating to a 14.2% share of the market.

In response to an appeal from taxi drivers whose income had been affected by third-party apps and illegal taxis, the Jilin City Transport Bureau implemented a policy in October 2018 in which taxi companies were required to bear the Compulsory Traffic Insurance, Passenger Insurance, the Third-Party Commercial Insurance as well as the Vehicle and Vessel Use Tax in full. This is expected to impact the business in 2019.

#### Online Car Hailing Service

On 16 March 2018, Jilin ComfortDelGro Taxi became the first of over 30 taxi companies in the City to obtain the licence to operate its online car hailing service.

On 29 June 2018, it took delivery of 46 out of 100 cars ordered and officially commenced its online car hailing service – heralding a new milestone in the Company's history. The Jilin ComfortDelGro Online Car Hailing App, similar to the ComfortDelGro App in Singapore, was also launched. To improve its taxi drivers' income, the Company made the online car hailing mobile app available to taxi drivers as well.



## OPERATIONS REVIEW



The online car hailing service has been well-received so far and Jilin ComfortDelGro Taxi is looking to increase its online vehicle fleet.

### Shenyang, Liaoning Province

#### Taxi

The Group acquired Shenyang Tian Wen Taxi Co., Ltd in February 2018, reinforcing its position as the largest taxi operator in Shenyang.

Combining the 225 taxi licences and vehicles that were acquired and the existing fleets operated by Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd, the Group's total fleet in the City was 1,516 taxis in 2018.

Since the Central Government issued its broad guidelines and regulations on the taxi and private hire industries in 2015, individual Provincial and City Governments like Shenyang have issued their own implementation regulations to ensure the peaceful and sustainable co-existence of both industries, with strict regulations governing all operators. These include measures which control the type, size and age of the vehicles, as well as the selection and training of drivers.

With such strong policies in place and the fact that the Group's taxi companies in Shenyang operated under a leasing business model unlike those in the other cities, demand for services remained strong with all the taxis being fully hired out in 2018.

The preparatory work for the taxi booking app was completed during the year, and there are plans for both taxi companies to roll it out in 2019. To streamline processes, the companies combined various business functions such as payments, customer service and driver management into one centralised management system.

Both Shenyang ComfortDelGro Taxi and CityCab (Shenyang) continued to improve the service levels of their taxi drivers. As a result, a total of 478 taxi drivers from both companies were commended by the Shenyang Transportation Bureau for their good service.

### WEST CHINA

#### Chengdu, Sichuan Province

##### Taxi

Our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd is the second largest taxi operator with a fleet size of 560 vehicles in the Capital City.

2018 was a challenging year for the Company due to the continuous proliferation of third-party apps. Although the Government had announced the implementation of regulations surrounding third-party apps, they were not enforced.

To retain taxi drivers, the Company modified contracts for them from employee-based contracts to vendor-based ones, which charged lower rental rates. Taxi drivers who also successfully referred new taxi drivers to the Company were rewarded.

### Car Rental & Leasing

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, the Group's wholly-owned motor vehicle rental and leasing subsidiary continued to explore both offline and online marketing strategies with a focus on providing excellent customer service experience to improve rental demand.

### Driving Centre

2018 remained a challenging year for our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd as competition remained stiff. The Centre stepped up its marketing efforts and introduced a referral scheme where incentives were given for successful referrals.

### EAST CHINA

#### Shanghai

##### Taxi

Shanghai City Qi Ai Taxi Services Co., Ltd is one of the premium taxi operators in Shanghai with a fleet of 484 taxis.

The Volkswagen Santana Lavida taxi model, which is popular with both taxi drivers and passengers alike, continued to be the preferred choice of taxi for the Company's taxi replacement programme, with the Volkswagen Touran taxi model as the alternative. A total of 59 five-year-old taxis are due for replacement in 2019.





The Company continued to face a shortage of taxi drivers in 2018. To ensure its taxis were rented out, Shanghai City Qi Ai continued to engage 'maiduan' drivers and successfully recruited 19 'maiduan' drivers during the year.

## Suzhou, Jiangsu Province

### Taxi

Despite stiff competition, our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd managed to maintain a 100% utilisation rate of its fleet of 165 vehicles in 2018.

## Nanjing, Jiangsu Province

### Taxi

Our 70%-owned subsidiary, Nanjing ComfortDelGro Dajian Taxi Co., Ltd, is the City's fourth largest taxi company, operating a total of 679 Compressed Natural Gas taxis. With aggressive competition from third-party apps affecting its operations, about 70% of its fleet was hired out during the year.

### Driving Centre

On 20 July 2018, the Group's wholly-owned subsidiary in China, ComfortDelGro (China) Pte Ltd entered into a joint venture agreement with Nanjing Qixia District Number 2 Passenger Transportation Co., Ltd (Nanjing Qixia), and Nanjing Bulk Lifting and Transportation (Group) Co., Ltd to form an equity joint venture company – Nanjing ComfortDelGro Xixia Driver Training Co., Ltd – which operates a fleet of 35 vehicles.

Nanjing Qixia is an integrated transport company which provides driver training, vehicle repair and maintenance, bus chartering and real estate development. It is also one of the oldest driver training schools in Nanjing with a strong reputation.

## SOUTH CHINA

### Guangzhou, Guangdong Province

#### Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 9.36 million passengers in 2018, a 10.77% drop from the previous year due to a variety of factors including a sluggish economy, the expansion of the high speed rail and the light rail transit services, the growth of the car population, private hire cars and buses as well as the persistence of illegal bus operations.

A number of long distance buses were also terminated during the year, resulting in a drop in cargo revenue by 20.29% and a reduction in cargo items by 16.39% as compared to the year before.

Despite that, the Station continued to rank second among 16 bus stations in Guangzhou, registering increases in market share in terms of bus trips and ridership to 19.3% and 23% respectively.

This was a result of several initiatives that the Station had undertaken during the year. For example, it introduced new bus routes and service stations, as well as new and wider business class seats on buses that

served high volumes of business travellers going to Meizhou, Shuizai and Xingning.

In 2018, the Station redeveloped unused spaces into retail spaces and successfully rented them out, resulting in a 26% increase in property rental income.

To save on manpower costs and further improve the efficiency of its bus despatching service, eight more automated bus despatch systems were added, bringing the total number to 10.

With the growth in electric car population in Guangzhou, the Station is planning to launch electric charging points for public buses and private cars in 2019.

## Nanning, Guangxi Province

### Taxi

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, is the largest taxi operator in Nanning with a fleet of 834 taxis and a high utilisation rate of 94%.

In the face of stiff competition brought about by third-party apps, the Company revamped its taxi rental scheme to encourage its taxi drivers to complete their contracts. These included shortening the contract period from six years to five, providing free rental months, imposing penalty for early termination and transferring the ownership of the taxi to the taxi drivers at the end of the contract. As for taxi drivers with older taxis, the Company gave daily maintenance subsidies and waived off the final month's rental.

## OPERATIONS REVIEW



# IRELAND

CORK / DUBLIN / GALWAY / LIMERICK

INTER-CITY EXPRESS COACH

**24.0**

Revenue (S\$'million)

**25**

Total Operating Fleet Size

**17**

Total Number of Employees

ComfortDelGro Irish Citylink Limited, our wholly-owned express coach subsidiary in Ireland, runs a network of inter-City and Dublin Airport express routes linking Cities such as Cork, Dublin, Galway and Limerick.

On the back of strong economic growth and rising tourist numbers, demand for services across all its routes continued to increase. Its digital marketing strategy also provided positive results with online sales accounting for more than half of all its revenue.

To meet rising demand, additional journeys with improved frequency were added to the Limerick-Dublin Airport eireagle.com service. Reimbursement rates for concessionary travel also rose as ComfortDelGro Irish Citylink started accepting the Free Travel Pass on all its routes from 1 May 2018.

ComfortDelGro Irish Citylink continued to invest in technology by improving the user experience of its online booking facility. For example, the booking panel was redesigned and made mobile responsive. The mobile ticket layout was also enhanced to streamline the boarding process, and a function was added to allow passengers with the Free Travel Pass to reserve seats using their handphones.

During the year, ComfortDelGro Irish Citylink extended its sponsorship arrangement as the official transport provider for Connacht Rugby – one of the four professional provincial rugby



teams in Ireland – by another two years. Two coaches were put into distinctive co-branded livery as part of the arrangement.

In the CXi survey conducted by The CX Company in partnership with Amárach Research in June 2018, ComfortDelGro Irish Citylink jumped up 20 places to rank sixth overall. It scored high in the areas of integrity and in its ability to consistently deliver excellent service with well-trained professional staff who are attentive to customers' needs.



# VIETNAM

## HO CHI MINH CITY

### TAXI

# 3.3

Revenue (S\$'million)

# 240

Total Operating Fleet Size

# 101

Total Number of Employees

Vietnam Taxi (Vinataxi) Co., Ltd remained the third largest taxi operator in Ho Chi Minh City with a fleet of 240 taxis in 2018. The average age of its fleet is about three years old.

Despite stiff competition, Vinataxi successfully renewed its existing contracts to operate taxi services at major pick-up points in the City. Its taxi booking mobile application, which was launched in 2017 on both Android and iOS platforms, has also been downloaded over 2,300 times to-date.

In August 2018, Vinataxi replaced Moca, a QR code payment method with VNPAY, a payment gateway company providing QR Pay, on board its taxis. It has been well-received so far.

The Company also continued to incentivise its taxi drivers by giving bonuses to its taxi drivers who had completed one year of their hiring contract and performed well. Extra bonuses were also given out to taxi drivers during the Vietnamese New Year or Tet.

To attract more taxi drivers in 2019, the Company plans to replace 41 of its taxis with the Toyota Wigo taxi model, which has better fuel efficiency and a lower daily rental.





# MALAYSIA

KUALA LUMPUR

AUTO LEASING / INSPECTION & TESTING SERVICES

**2.6**

Revenue (S\$'million)

**135**

Total Operating Fleet Size

**40**

Total Number of Employees

## Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd, offers auto leasing services in Malaysia through a fleet of 135 vehicles. Utilisation of our vehicles remained high in 2018. The Company specialises in dedicated telematics fleet management for clients with round-the-clock nationwide technical and roadside emergency assistance. Established in 1996, it provides both short- and long-term leasing for a full range of passenger cars and light commercial vehicles. It is one of the leading auto leasing service providers for multinational corporations, especially those in the oil & gas, logistics and infrastructure industries.

## Inspection & Testing Services

Setsco Services Pte Ltd's wholly-owned subsidiary, Setsco Services (M) Sdn Bhd, provides civil engineering, mechanical and non-destructive testing services in Peninsular Malaysia.



## INVESTOR RELATIONS

We are committed to disseminating accurate and pertinent information to the market in a timely manner as part of good corporate governance. Our Investor Relations (IR) programme balances regular, effective and fair communications with Shareholders and the investment community with the need to safeguard commercial sensitivities. The IR team works closely with Senior Management to proactively carry out this engagement programme. Feedback and views gathered are regularly reported to Senior Management and the Board of Directors.

### PROACTIVE COMMUNICATIONS

During the year, the IR team met some 330 groups of investors, analysts and equity sales personnel over 170 meetings. The team also addressed queries from investors through emails, telephone calls and the online enquiry form.

Besides face-to-face office meetings and conference calls, we also participated in eight investor conferences and non-deal road-shows in Singapore, Kuala Lumpur, Hong Kong (HK), Tokyo and Taipei. These platforms provide direct access to a wide cross-section of existing and new institutional investors from around the world. To reach out to retail investors in Singapore, an investor presentation was held at the SGX auditorium.

We organised face-to-face briefings for the media and sell-side analysts for the full-year results and conducted dial-in conference calls with sell-side analysts for the other quarterly results. Three post-results luncheons were organised where we met fund managers based in Singapore after the full-year FY2017 results and the second and third quarter results for FY2018.

ComfortDelGro attracts active research coverage from sell-side analysts and the stock is now covered by 15 local and international research houses. Some 190 reports on the Company and the industry were published during the year. The IR team has regular interactions with the analysts to ensure a thorough understanding of our business models and strategies, operations and financial performance and growth opportunities.

Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore Exchange.

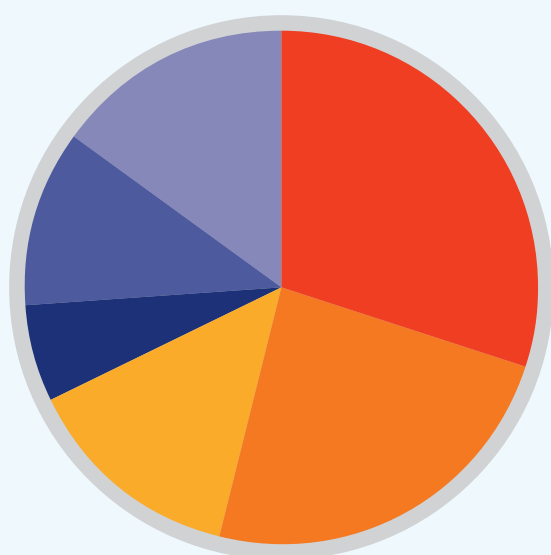
All material announcements are posted in the IR section of the corporate website to ensure equal and timely access to information.

At the Singapore Corporate Awards 2018 held on 18 July 2018, ComfortDelGro won the Bronze Award for Best Investor Relations in the Big-Cap Category.

At the 19th Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2018 held on 25 September 2018, VICOM was the winner of the Singapore Corporate Governance Award for the Mid-Cap Category and Runner-Up for the Most Transparent Company Award in the services category.

### DIVERSE SHAREHOLDER BASE

We have a wide base of institutional and retail investors. Our large Shareholders are asset management companies in North America, United Kingdom (UK), Singapore and HK.



Singapore .....	<b>30%</b>
North America .....	<b>24%</b>
United Kingdom .....	<b>14%</b>
Europe (ex-UK) .....	<b>6%</b>
Asia (ex-Singapore) & others .....	<b>11%</b>
Unanalysed .....	<b>15%</b>

Note: Approximate figures based on analysis of Share Register as at 31 October 2018.

# CORPORATE GOVERNANCE

**We, at ComfortDelGro Corporation Limited (ComfortDelGro or Company, and together with its subsidiaries, the Group), believe that a fundamental measure of our success is the shareholder value we create over the long-term.**

We will continue to:

- Focus relentlessly on our customers;
- Make corporate decisions to build long-term value rather than short-term considerations;
- Maintain our lean culture as we understand the importance of being cost conscious;
- Hire and retain skilled and dedicated Employees; and
- Look for sustainable ways to protect the environment.

## CORPORATE GOVERNANCE STATEMENT

ComfortDelGro strongly believes that good Corporate Governance makes good business sense. To this end, we maintain the highest standards of Corporate Governance, professionalism and integrity as we build an organisation that our Shareholders, Employees, Business Partners, the Authorities and other Stakeholders can trust and be proud of.

We adhere to the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 2 May 2012 (Code) and ensure that it is upheld throughout the Group<sup>1</sup>. We have also adopted a Code of Business Conduct, which sets out the principles and policies upon which our businesses are to be conducted, and implemented a Whistle Blowing Policy which provides a mechanism for Employees to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst protecting the whistleblowers from reprisal within the limits of the law.

This Report sets out the Corporate Governance practices that were in place during the year, with specific references to the Code. For the Financial Year 2018, we are pleased to report that the Company complied in all material aspects with the principles and guidelines set out in the Code.

## 1. BOARD MATTERS

In choosing directors, the Company seeks individuals who have integrity, expertise, business acumen, shareholder orientation and a genuine interest in the Group.

<sup>1</sup> The revised Code of Corporate Governance which was issued on 6 August 2018 ("2018 Code") will apply to Annual Reports covering financial years from 1 January 2019.

## Principle 1: The Board's Conduct of Affairs

### Board's Role

At the helm of the decision-making process of the Company is the Board of Directors. The Board is headed by the non-executive and independent Chairman, Mr Lim Jit Poh, and is responsible for:

- Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the Group (which include appropriate focus on value creation, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- Ensuring that appropriate and adequate systems of internal controls, risk management processes and Financial Authority Limits are in place to safeguard Shareholders' interests and the Group's assets, and to achieve an appropriate balance between risks and company performance;
- Challenging Management constructively and monitoring its performance;
- Identifying the key Stakeholder groups and guiding Management in the Company's strategy and approach in addressing the concerns of these key Stakeholder groups, and ensuring transparency and accountability to all Stakeholders;
- Instilling ethical corporate culture and ensuring the Company's values, standards, policies and practices are consistent with the culture; and
- Considering environmental, social and governance issues as part of its strategic formulation on sustainability.

### Reserved Matters

ComfortDelGro has adopted internal guidelines setting forth certain matters that require the Board's approval. Under these guidelines, acquisitions of businesses, disposals or changes in equity interests in existing subsidiaries/associates, investment in financial instruments, tender for businesses above the prescribed limits, assessing and approving key business decisions, funding and investment initiatives and other corporate actions, including approval of the Financial Authority Limits, Annual Budget and Capital Expenditure and the release of the quarterly and full-year Financial Results require approval from the Board. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments require the approval of the Board.

The Board periodically reviews the adequacy of internal controls and Financial Authority Limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor such delegation.

### Independent Judgement

All Directors are aware of their fiduciary duties and exercise due diligence and independent judgement in ensuring that their decisions are objective and in the best interests of the Company.

## Delegation by the Board

To assist the Board in the detailed consideration of the various issues at hand and to facilitate decision-making, four Board Committees are formed, namely, the Audit and Risk Committee (ARC), the Nominating Committee (NC), the Remuneration Committee (RC) and the Investment Committee (IC). Ad hoc committees are also formed to look at specific issues from time to time.

Each Board Committee is governed and regulated by its own terms of reference, which sets out the scope of its duties and responsibilities, regulations and procedures governing the manner in which the Board Committee is to operate and how decisions are to be taken.

Although the Board Committees are empowered to make their own decisions, the Board is ultimately responsible for all decisions made by the Board Committees.

## Directors' Attendance at Board and Board Committee Meetings

At least five scheduled Board Meetings are held every year for the purpose of approving the release of the Financial Results every quarter and the Annual Budget. The Board Meetings to approve the Financial Results are held within 45 days after the end of each quarter and the financial year, while the Board Meeting to approve the Annual Budget is held in December after all the Budgets of the subsidiaries have been approved by their respective Boards. Ad hoc Board and Board Committee Meetings are also held from time to time when the need arises. For instance, in 2018, the NC also held additional meetings to review the appointment of new Directors.

Directors who are unable to attend meetings in person can still participate in the discussions through tele-conferencing. Decisions of the Board and Board Committees may also be obtained via circular Resolutions. Directors are free to seek clarifications and explanations from Management on the reports and papers submitted to the Board.

### Attendance of Directors at Annual General Meeting, Board and Board Committee Meetings in 2018

Name	Annual General Meeting	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee		Investment Committee	
	Attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Jit Poh	✓	5	5	1	1 <sup>a</sup>	4	4	2	2	3	3 <sup>e</sup>
Yang Ban Seng	✓	5	5	5	5 <sup>a</sup>	4	4 <sup>a</sup>	2	2 <sup>a</sup>	3	3 <sup>e</sup>
Chiang Chie Foo	✓ <sup>b</sup>	4	4	3	3	2	2	-	-	-	-
Lee Khai Fatt, Kyle	✓	5	5	5	5	4	4	-	-	-	-
Ong Ah Heng	✓	5	4	5	4	-	-	2	2	-	-
Ooi Beng Chin	✓ <sup>b</sup>	4	4	-	-	-	-	1	1	2	2 <sup>e</sup>
Sum Wai Fun, Adeline	✓	5	5	5	4	-	-	-	-	2	1
Tham Ee Mern, Lilian	✓	5	5	5	5	-	-	-	-	2	2
Wang Kai Yuen	✓	5	5	-	-	2	2 <sup>d</sup>	2	2	2	2
Wong Chin Huat, David	✓	5	5	-	-	4	4	2	2	-	-
Oo Soon Hee <sup>c</sup>	✓	1	1	2	2	-	-	-	-	1	1

#### Notes:

(a) Attended meeting by invitation of the Committee

(b) Attended by invitation of the Company prior to appointment as a Director

(c) Retired on 26 April 2018

(d) Stepped down on 1 May 2018

(e) Including 1 Investment Committee Meeting of ComfortDelGro Ventures Pte Ltd

## CORPORATE GOVERNANCE

### Induction and Training of Directors

Upon appointment as a Director, the Board Chairman will send an official letter of appointment to the Director, which clearly explains his/her role, duties and responsibilities.

Management will conduct a comprehensive orientation programme for newly appointed Directors, where key aspects of the businesses, including financial and Corporate Governance policies are discussed. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with its terms of reference.

Directors are encouraged to attend courses to update their knowledge and better equip themselves to discharge their duties as Directors. The fees for the courses are paid for by the Company. The Company Secretaries assist in professional development and training by regularly disseminating details of suitable seminars and courses organised by the Singapore Institute of Directors and other professional bodies and arranging for the Directors to attend such courses when requested.

The Company Secretaries also update the Board on Corporate Governance practices and circulate articles relating to changes in laws relevant to the Group's businesses. During the year, the Directors attended several training programmes. Details of the training sessions are as follows:

Training Provider	Topic
Deloitte & Touche LLP	International Financial Reporting Standards (IFRS) convergence and the new/revised accounting standards
WongPartnership LLP	Corporate Governance briefing: Understanding the revised Code
Singapore Institute of Directors	Sustainability for Directors
Singapore Institute of Directors	Audit Committee Seminar for 2018
Singapore Institute of Directors	SID Directors' Conference

Regular presentations are made by Management to the Board to enable Directors to better familiarise themselves with the Group's businesses. Site visits for the Board are also organised to enable Directors to learn more about the Group's operations. During such visits, Directors spend time with Management to discuss key strategies and policies pertaining not just to the specific operation, but also to the Group in general. Such meetings help Directors become better equipped to make informed decisions relating to the future direction of the Group.

### Principle 2: Board Composition and Guidance

#### Board Independence

As at 31 December 2018, the Board comprised ten Directors with 90% independent Directors. There is a strong element of independence in the Board. Except for the Managing Director/Group Chief Executive Officer (MD/Group CEO) who is an executive Director, all the remaining nine non-executive Directors (NED) are considered by the NC to be independent. Ms Jessica Cheam was appointed as an Independent Non-Executive Director on 1 January 2019. With the appointment, the Board now comprises 11 Directors with 91% independent Directors. This composition exceeds the Code's requirement of at least one-third of the Board to comprise independent Directors. The Company is not required to have at least half of the Board to be made up of independent Directors because the Chairman is independent. There is also no need to appoint a Lead Independent Director. The Chairman and the MD/Group CEO are not the same person and are not immediate family members. The Chairman is also not part of the Management team. No person will be able to influence the decisions of the Board as the over-whelming majority of the Directors are independent NEDs.

The NC is responsible for assessing the independence of the Directors on an annual basis. Each Director is required to complete a Confirmation of Independence checklist which is drawn up in accordance with the guidelines provided in the Code and requires each Director to assess his/her own independence. The Director is required to declare any circumstances in which he/she may be considered non-independent. The NC will then review the Confirmation of Independence to determine whether a Director is independent.

As at 31 December 2018, five out of ten independent Directors have served on the Board for more than nine years. They are Mr Lim Jit Poh, Mr Ong Ah Heng, Ms Sum Wai Fun, Adeline, Dr Wang Kai Yuen and Mr Wong Chin Huat, David. The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of service. A Director's contributions in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging Management in the best interests of the Group as he/she performs his/her duties in good faith, are more critical measures in ascertaining his/her independence than the number of years served on the Board. Hence, the Board does not impose a limit on the length of service of the independent Directors. In taking a holistic approach, the Board and the NC exercise due and careful review, taking into consideration all other factors, in assessing the independence of a Director. These factors include, inter alia, if the Director has any interest, business, relationship and/or any other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement. The Board is of the view that all independent Directors remain independent in the exercise of their judgement on Board matters.



### Board Size, Composition and Competency

The NC examines the size and composition of the Board and the Board Committees annually to ensure an appropriate balance and diversity of skills, experiences and gender and the size is conducive to effective discussion and decision making, with an appropriate number of independent Directors.

The bulk of the Group’s businesses is regulated. Having considered the scope and nature of the operations of the Group and the requirements of its businesses, the NC and the Board are of the view that the current size of 11 Directors is appropriate.

The Group is committed to building an open, inclusive and collaborative culture and recognises the importance of all aspects of diversity in supporting the achievement of its strategic objectives, growth and sustainable development.

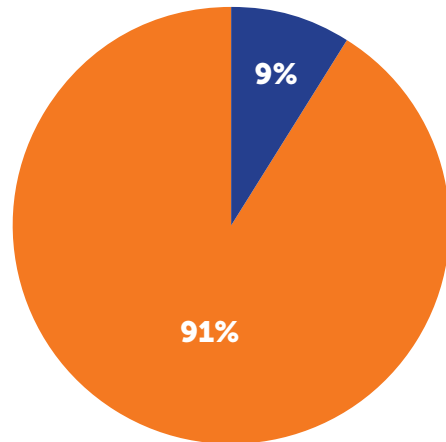
The Board recognises the merits of gender diversity in relation to composition of the Board and in identifying suitable candidates for new appointments to the Board would ensure that female candidates are included for consideration. As at 31 December 2018, out of ten Directors on the Board, two of them or 20% are females. Ms Jessica Cheam was appointed on 1 January 2019. With the appointment, the Board now comprises 11 Directors with 27% females.

The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, legal, information technology, artificial intelligence, sustainability and business management, both domestically and internationally. Each Director provides a valuable network of industry contacts and brings in different perspectives and ideas at Board discussions.

The NC is satisfied that the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, age, knowledge and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure that the Group continues to be able to meet the challenges and demands of the markets in which it operates. The current makeup of the Board and Board Committees reflects our commitment to all aspects of diversity.

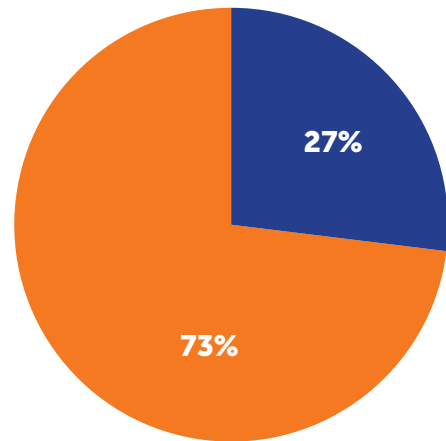
The individual profile of the Directors, their principal directorships and chairmanships held currently and their directorships and chairmanships held in listed and unlisted companies in the preceding five years, are found in the ‘Board of Directors’ and ‘Directors’ Particulars’ sections on pages 24 to 29 and pages 82 to 84 of this Annual Report.

#### Independence



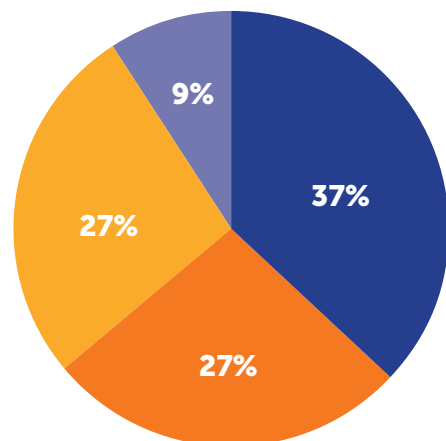
● Independent Non-Executive Director  
● Executive Director

#### Gender



● Male ● Female

#### Age



● 70-79 ● 50-59  
● 60-69 ● 30-39

## CORPORATE GOVERNANCE

### Non-Executive Directors' Participation

All NEDs have unrestricted access to the Management and are well supported by accurate, complete and timely information, including monthly and quarterly performance reports. They participate actively at Board and Board Committee Meetings to constructively challenge Management and help develop proposals on business strategy and other business and governance issues and also review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

All the members of the ARC, RC and NC are independent NEDs.

The non-executive Chairman meets with the Chairman of the ARC and External Auditors annually in the absence of Management. From time to time when required, the NEDs meet without the presence of Management before or after Board Meetings. As the Chairman is independent, there is no need to appoint a Lead Independent Director.

### Principle 3: Chairman and MD/Group CEO

#### Roles of Chairman and MD/Group CEO

The roles of the Chairman and the MD/Group CEO are kept separate and distinct to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. This is a deliberate policy agreed by the Board and one that is strictly adhered to. This ensures Management accountability and Board independence. The Chairman is responsible for the effective functioning of the Board, while the MD/Group CEO is responsible for the operations and management of the Group's businesses. The Chairman and the MD/Group CEO are not related.

The Chairman:

- (i) Leads the Board, facilitates effective contribution of all Directors, sets the agenda and promotes comprehensive, rigorous and open discussions at Board Meetings among the Directors, as well as between the Board and Management;
- (ii) Oversees the translation of the Board's decisions into executive actions;
- (iii) Ensures adequacy and timeliness of information flow between the Board and Management and effective communications with Shareholders and other Stakeholders;
- (iv) Encourages constructive relations within the Board and between the Board and Management; and
- (v) Promotes high standards of Corporate Governance and transparency.

The MD/Group CEO is given full executive responsibility for the management of the Group's businesses and the implementation of the Group's strategies and policies as decided by the Board and reports to the Board on a regular basis.

The Chairman and the MD/Group CEO represent the Board at official functions and meetings with Shareholders and other Stakeholders such as employees, regulators and customers. A detailed description of our engagements with Stakeholders can be found from pages 28 and 29 of our Sustainability Report.

#### Lead Independent Director

The appointment of a Lead Independent Director is not required as the Chairman and the MD/Group CEO are different persons. The Chairman is independent and more than one-third of the Board comprise independent Directors. He is not part of Management and has no relationship with the MD/Group CEO and his immediate family members.

### Principle 4: Board Membership

There is a formal and transparent process for the appointment and reappointment of Directors to the Board.

#### Nominating Committee

As at 31 December 2018, the NC comprised four independent NEDs. Ms Jessica Cheam was appointed as an additional member on 1 January 2019. With the appointment, the NC now comprises five independent NEDs. The NC is responsible for regularly reviewing the composition of the Board, identifying and proposing suitable candidates for appointment to the Board and ensuring succession plans are in place. The renewal of Board membership is an ongoing process to ensure good governance and to maintain relevance in a changing business environment. All decisions by the NC are made by a majority of votes of the NC members who are present and voting. The key terms of reference of the NC include the following:

- (i) Review the Board's succession plans and make recommendations to the Board on all appointments and re-appointments of Directors of the Company;
- (ii) Assess the effectiveness of the Board and Board Committees and contribution by each individual Director;
- (iii) Develop a process for evaluation of the Board's performance, including comparison with industry peers; and
- (iv) Make recommendations to the Board on the review of training and professional development programmes for the Board.

#### Multiple Board Representations

The NC subscribes to the view that it is important for Directors to devote sufficient time and attention to the affairs of the Group. Consistent with the guidelines in the Code, the NC and the Board have adopted the following as a proactive step in ensuring this:

- A Director who is in full-time employment should not serve as a Director on the Board of more than three listed companies; and
- A Director who is not in full-time employment should not serve as a Director on the Board of more than six listed companies.

As the number of board representations should not be the only measure of a Director's commitment and ability to contribute effectively, the NC takes the view that if a Director wishes to hold more board representations than the maximum stated in the guidelines, a request must be made to the Chairman of the Board for approval. As a policy, the Chairman himself should not hold more than six directorships in listed companies if he is not in full-time employment and not more than three directorships in listed companies if he is in full-time employment.

In assessing a Director's contribution, the NC takes a holistic approach. Focussing solely on Directors' attendance at Board and Board Committee Meetings per se may not be an adequate evaluation of the contribution of the Directors. Instead, their abilities to provide valuable insights and strategic networking to enhance the businesses of the Group, availability for guidance and advice outside the scope of formal Board and Board Committee Meetings and contributions in specialised areas are also factors relevant in assessing the contributions of the Directors.

As a policy, the MD/Group CEO, being an executive of the Company, besides adhering to the guidelines set on the maximum number of board representations on listed companies, will also have to seek the approval of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the MD/Group CEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman will also ensure that the MD/Group CEO will not accept appointments to the boards of competitors.

As at 31 December 2018, all Directors complied with the guideline on multiple board representation.

### Alternate Director

Consistent with the Code, there is no alternate Director on the Board.

### Process for Selection, Appointment and Re-appointment of Directors

As part of the Board Succession Plan, new Directors may be identified from time to time for appointment to the Board after the NC evaluates and assesses their suitability in strengthening the diversity of skills, experience, gender, knowledge and core competencies of the Board relevant to the businesses of the Group.

The process for selection of new Directors is as follows:

- (i) The NC assesses the desired competencies and attributes of the Board taking into account the Group's businesses and its strategic objectives.
- (ii) The NC then assesses the competencies and attributes to include into the current representation to achieve the desired mix. This forms the basis for selection of new Directors.
- (iii) New Directors are sourced through various channels, including recommendations of Directors and Management.

(iv) Potential candidates are interviewed by the NC to assess suitability and commitment.

(v) The NC makes recommendations to the Board for approval.

The Constitution of the Company provides that one-third of the Directors are subject to retirement and re-election by rotation at every Annual General Meeting (AGM). All Directors are required to retire from office at least once every three years. Re-election is, however, not automatic, and all Directors are assessed by the NC on their past performance and contributions before being recommended to Shareholders for re-election. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments. At the forthcoming AGM, Mr Lim Jit Poh, Ms Sum Wai Fun, Adeline and Mr Wong Chin Huat, David are due for re-election pursuant to Regulation 93 of the Constitution, while Ms Jessica Cheam, Mr Chiang Chie Foo and Professor Ooi Beng Chin are due for re-election pursuant to Regulation 99 of the Constitution. Mr Wong Chin Huat, David will not be seeking re-election and will retire at the conclusion of the forthcoming AGM.

### Principle 5: Board Performance

Each year, the NC undertakes a process to assess the effectiveness of the Board in terms of overall performance and growth of the Group, achieving an adequate return for Shareholders, preventing conflicts of interest and balancing the competing demands of the Group. In evaluating the contributions and performance of each individual Director, factors taken into consideration include attendance at AGM, Board and Board Committee Meetings and corporate activities, contributions in specialist areas and maintenance of independence. The performance criterion is determined by the NC and does not change from year to year.

In the last quarter of 2018, the NC conducted an evaluation of Board Performance which included key points on Board's composition, Board's contributions, contributions at Board Committees and conduct of proceedings and whether the Directors had discharged their duties effectively. The findings were then presented by the chairman of the NC to the Board during its meeting for deliberation and discussion on possible areas for improvement to enhance overall effectiveness. Chairman of the Board had evaluated the individual Directors and confirmed that they are effective.

### Principle 6: Access to Information

#### Complete, Adequate and Timely Information

Prior to each Board and Board Committee Meeting, and where needed, Management provides Directors with complete, adequate and timely information. The Board also receives monthly management accounts, updates on key performance indicators and quarterly Investor Relations (IR) Reports covering IR activities and updates of analysts' and investors' views and comments. This enables the Board to make informed and sound business decisions and be kept abreast of key challenges, opportunities and developments for the Group. As a general rule, reports to the Board and Board Committees are disseminated to Directors prior to meetings to provide sufficient time for review and consideration, so that discussions at the meetings are productive and effective. All information is encrypted if distributed electronically.

## CORPORATE GOVERNANCE

Directors can request for additional information and the Board has full access to Management. Should there be a need to obtain independent professional advice on matters relating to the businesses of the Group or issues affecting the duties of the Directors, the Company will arrange for the appointment of relevant professional advisers at its own cost.

### Company Secretaries

The Company Secretaries assist in scheduling Board and Board Committee Meetings and prepare the agenda in consultation with the Chairman and MD/Group CEO. The Company Secretaries attend the Board and Board Committee Meetings. The Company Secretaries keep the Directors informed of any significant developments or events relating to the Group, including compliance with all relevant rules and regulations. The Directors have separate and independent access to the Company Secretaries. The appointment and removal of the Company Secretaries are subject to the approval of the Board.

## 2. REMUNERATION MATTERS

### Principle 7: Procedures for Developing Remuneration Policies

ComfortDelGro recognises the importance of having a skilled and dedicated workforce to manage and grow the businesses in an increasingly competitive and challenging environment. It therefore places great emphasis on motivating staff through engagement, recognition and an alignment of rewards to the performance and long-term interests of the Group.

### Remuneration Committee

The RC plays an important role in the Group's remuneration policies, as well as oversees the talent management and succession planning for Senior Management staff. Besides providing the Board with an independent review and assessment of Directors' remuneration, it also reviews the remuneration framework and strategy for executive compensation, with the purpose of developing talent and building leadership bench strength to ensure the Group's continued success.

As at 31 December 2018, the RC comprised five independent NEDs. This is in accordance with the Code. Ms Sum Wai Fun, Adeline was appointed as an additional Member of the RC on 1 January 2019. With the appointment, the RC now comprises six independent NEDs. Members of RC are independent of Management and also free from any business or other relationships which may materially interfere with the exercise of independent judgement.

All decisions by the RC are made by a majority of votes of the RC members who are present and voting. Any member of the RC with a conflict of interest in relation to the subject matter under consideration would abstain from voting, approving or making recommendations that would affect the decisions of the RC. The MD/Group CEO is not present at any RC discussions pertaining to his own compensation and the review of his performance. He is, however, in attendance when the compensation of Senior Management staff is discussed.

The key terms of reference of the RC include the following:

- (i) Oversee the talent management and succession planning for Senior Management staff;
- (ii) Review and recommend to the Board the remuneration framework for compensation to each Director, and ensure that the level of remuneration offered is appropriate to the level of contribution;
- (iii) Review and approve the remuneration of Key Executives that is aligned with the long-term interests of the Group to ensure that the overall remuneration package is attractive to retain and motivate Key Executives; and
- (iv) Review the Group's obligations arising in the event of termination of Directors' and Key Executives' services in a fair, reasonable and equitable manner, including the cessation of financial incentives that have been earned but not yet disbursed due to exceptional circumstances of misstatement or misconduct.

The RC has unrestricted access to the Group Chief Human Resource Officer, who attends all RC meetings and provides the relevant market remuneration data and practices to the Committee. The RC may also seek external expert advice on such matters where needed. In 2018, the Group engaged the services of an external consulting firm, Willis Towers Watson, to conduct an Executive Compensation Benchmarking exercise for an independent review of the compensation packages of its senior executives.

### Principle 8: Level and Mix of Remuneration

#### Performance-related Remuneration

The remuneration packages of the MD/Group CEO and Key Executives of the Group comprise fixed and variable components. The variable component in the form of year end performance bonuses, forms a significant proportion of the remuneration packages and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the Group targets a total compensation package with fixed to variable component ratios of 70:30 for Rank and File Employees, 60:40 for Middle Management staff and 50:50 for Senior Management staff. The Group believes that a higher proportion of performance-related component would ensure greater alignment of interests of the employees with those of Shareholders and contributes to sustainable performance in the long-term. In addition, the remuneration of the MD/Group CEO is also tied to the return on Shareholders' funds vis-à-vis the weighted average cost of capital and the level of profitability achieved.

#### Short-term and Long-term Incentive Schemes

The Group obtained Shareholders' approval at its AGM in April 2018 to implement the ComfortDelGro Executive Share Award Scheme for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group.

The shares would be granted conditional upon performance targets being met and would have a vesting schedule whereby only a portion of the benefits would be granted each year. The grant of the shares may be withdrawn or clawed-back in the event of exceptional circumstances of material misstatement of financial results or misconduct resulting in financial or other losses for the Group.

The Board and the RC believe that the Share Award Scheme will help ensure that the Group continues to have a strong leadership team and credible talent pipeline.

## Remuneration of Non-Executive Directors

The structure for the payment of fees to NEDs is based on a framework comprising basic fees and additional fees for serving on Board Committees and also for undertaking additional services for the Group. The fees are subject to the approval of Shareholders at the AGM.

The MD/Group CEO, being an executive of the Group, does not retain any fees paid by the subsidiaries. Instead, fees due to him are paid by the subsidiaries to the Company. The MD/Group CEO does not receive Director's fees for his Board Directorship with the Company.

The Directors' fee structure for 2018 is set out below:

Board		Basic Fee (Per Annum) \$	
Chairman			112,000
Member			56,000
Board Committee		Chairman \$	Additional Fees (Per Annum) As Member \$
Audit and Risk Committee		37,333	26,133
Nominating Committee		18,667	13,067
Remuneration Committee		18,667	13,067
Investment Committee		20,000	14,000

The attendance fees payable to non-executive Directors for attendance at each Board and Board Committee Meeting are as follows:

Meetings	Attendance Fee (Per Meeting)*	
	In-person \$	Dial-in \$
Board	1,000	500
Board Committee	1,000	500

\* Directors are only paid one attendance fee when two or more meetings are held on the same day.

## Principle 9: Disclosure on Remuneration

### Remuneration of Directors and Executives

MD/Group CEO's remuneration:

Remuneration 2018	The Group			Total Compensation \$
	Salary \$	Bonus \$	Others \$	
Yang Ban Seng	804,000	1,366,433	25,248	2,195,681

## CORPORATE GOVERNANCE

The remuneration of the non-executive Directors comprised entirely Directors' fees as follows:

	<b>Directors' Fees 2018 \$</b>
Lim Jit Poh <sup>1</sup>	683,276
Chiang Chie Foo <sup>2</sup>	63,901
Lee Khai Fatt, Kyle	95,200
Ong Ah Heng <sup>3</sup>	115,200
Ooi Beng Chin <sup>4</sup>	55,757
Sum Wai Fun, Adeline	107,333
Tham Ee Mern, Lilian	96,133
Wang Kai Yuen	92,963
Wong Chin Huat, David	82,134
Oo Soon Hee <sup>5</sup>	30,551

**Notes:**

- <sup>1</sup> Including Directors' fees from SBS Transit Ltd and VICOM Ltd, listed subsidiaries of the Company and other subsidiaries.
- <sup>2</sup> Amount constitutes Mr Chiang Chie Foo's Directors' fees for the period from 1 May 2018 to 31 December 2018. Mr Chiang was appointed as a Director as well as a Member of both the Audit and Risk Committee and the Nominating Committee on 1 May 2018.
- <sup>3</sup> Including Directors' fees from ComfortDelGro Engineering Pte Ltd, a subsidiary of the Company.
- <sup>4</sup> Amount constitutes Professor Ooi Beng Chin's Directors' fees for the period from 1 May 2018 to 31 December 2018. Professor Ooi was appointed as a Director as well as a Member of both the Remuneration Committee and the Investment Committee on 1 May 2018.
- <sup>5</sup> Amount constitutes Mr Oo Soon Hee's Directors' fees from 1 January 2018 to 26 April 2018. Mr Oo retired as a Director and a Member of the Audit and Risk Committee and the Investment Committee on 26 April 2018.

The remuneration of the Executives in the five key portfolios having regard to the performance of the individuals and the Group, are as follows:

Remuneration Band	The Group			Total Compensation %
	Salary %	Bonus %	Others %	
2018				
\$1,250,000 to \$1,499,999				
Gan Juay Kiat	37.5	59.3	3.2	100
\$1,000,000 to \$1,249,999				
Choo Chek Siew	52.2	43.5	4.3	100
\$500,000 to \$749,999				
Sim Wing Yew	46.5	46.5	7.0	100
Nicholas Yap Soon Hua	66.2	30.3	3.5	100
\$250,000 to \$499,999				
Ang Wei Neng	53.0	39.8	7.2	100

The total remuneration paid to these five Executives holding the key portfolios (who are not Directors or the CEO) amounts to \$3,982,149.

## Remuneration of Certain Related Employees

During the Financial Year 2018, no key executive was an immediate family member of a Director or the MD/Group CEO and whose remuneration exceeds S\$50,000. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

## 3. ACCOUNTABILITY AND AUDIT

### Principle 10: Accountability

The Board has overall accountability to the Shareholders of the Company and ensures that the Group is managed well and guided by sustainable long-term strategic objectives. The Board is responsible to provide a balanced and understandable assessment of the Group's performance, position and prospects. Price sensitive information, Annual Reports and other material corporate developments are disseminated in a timely manner and posted on the Company's website as well as SGXNet. The Financial Results are reported each quarter via SGXNet with an accompanying Negative Assurance by the Board to confirm that nothing has come to its attention that may render the results false or misleading in any material aspects. The Company believes that prompt and full compliance with statutory reporting requirements is fundamental to maintaining Shareholder confidence and trust.

The Group has formalised a Policy on Securities – Restrictions Against Dealings to provide guidance to Directors and executives of the Group in relation to dealings in the Company's securities. Directors and executives of the Group are prohibited from dealing in the securities of the Company and its listed subsidiaries during the period commencing two weeks before the announcement of the Company's and its listed subsidiaries' first, second and third quarter results, and one month before the announcement of the full-year results and ending on the date of the announcement of the relevant results. All Directors and executives are notified of the trading blackout periods before the start of the financial year and are given reminders prior to each trading blackout period.

All Directors and executives of the Group are also told that they must not deal in (i) the securities of the Company and its listed subsidiaries on short-term consideration and/or while in possession of unpublished material price-sensitive information relating to the relevant securities; and (ii) the securities of other listed companies while in possession of unpublished material price-sensitive information relating to those securities. Executives are required to notify the Company upon disposal of shares arising from the exercise of options under the Employees' Share Option Scheme.

The Group has put in place a Standard Operating Procedure (SOP) on compilation of information on privy persons who have access to material information of transactions that have yet to be disclosed to the public. The SOP prescribes that the person-in-charge of such transactions must remind all privy persons to keep all material information strictly confidential.

### Principle 11: Risk Management and Internal Controls

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision making

process. Key risks are identified and presented to the ARC and Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Plans that are necessary to manage and mitigate the risks are in place and closely monitored. The adequacy of the risk governance, risk policy and internal controls in place is also assessed as part of the process. A detailed description of the Group's approach to internal controls and risk management can be found from pages 85 to 87 of this Annual Report.

The Internal and External Auditors conduct reviews in accordance with their audit plans. Any material non-compliance and recommendations for improvements on the internal controls are reported to the ARC. The ARC also reviews the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

For the Financial Year 2018, the Board has received assurance from the MD/Group CEO and the Group Chief Financial Officer (GCFO) that (i) the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

Key risks, mitigating controls and business continuity plans in place are reviewed annually by the ARC and the Board. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that there are adequate and effective internal controls in place within the Group to address its financial, operational, compliance and information technology risks and to provide reasonable assurance against material financial misstatements or loss.

### Principle 12: Audit and Risk Committee

The ARC comprises five independent NEDs. None of the ARC members are previous partners or directors of the External Auditors within the previous 12 months and none of the ARC members hold any financial interest in the External Auditors. The Chairman and Members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

The members collectively bring with them recent and relevant managerial and professional expertise in accounting and related financial management domains, as follows:

- (i) Ms Sum Wai Fun, Adeline, Chairman of the ARC, is currently the Chief Executive Officer of Singapore Labour Foundation, Deputy Chief Executive Officer of NTUC Enterprise Co-operative Limited and Managing Director of NTUC Fairprice Cooperative Limited. In addition to other academic qualifications, Ms Sum holds a Master of Business Administration (Accountancy) from the Nanyang Technological University.

## CORPORATE GOVERNANCE

- (ii) Mr Chiang Chie Foo, Member of the ARC, is the Chairman of Singapore's Central Provident Fund Board, a world-class social security organisation, PUB (Singapore's National Water Agency) and Ascendas Property Fund Trustee Pte Ltd which manages Ascendas India Trust (a property trust which owns seven IT parks and six modern warehouses in India). Mr Chiang is a Director on the Board of the Lee Kuan Yew Exchange Fellowship, Epworth Community Services and Valencia Club De Fútbol, a Senior Advisor to the Republic of Singapore's Ministry of Defence and a Trustee Member of the APB Foundation. Mr Chiang served in the Singapore Government's Administrative Service, holding various senior appointments in the Ministries of Finance, Education, Home Affairs and Defence.
- (iii) Mr Lee Khai Fatt, Kyle, Member of the ARC, is a Chartered Accountant. He was a former partner of PriceWaterhouse and PricewaterhouseCoopers LLP for 20 years including five years as a Practice Leader for Business Advisory Services.
- (iv) Mr Ong Ah Heng, Member of the ARC, is a Trustee of the National Transport Workers' Union (NTWU). He was the former Assistant Secretary-General of the National Trades Union Congress (NTUC) and Alignment Director of the Care & Share Secretariat in NTUC and Executive Secretary of NTWU. He was the Member of Parliament for Nee Soon Central Single Member Constituency.
- (v) Ms Tham Ee Mern, Lilian, Member of the ARC, is the Head of Operations & Technology (Asia Pacific) and Chief Operating Officer for Singapore at Schroder Investment Management (Singapore) Limited.

Members of the ARC keep abreast of relevant changes to accounting standards and issues through attendance at relevant seminars/talks, articles and news circulated by the Company Secretaries and regular updates by the External Auditors at ARC Meetings.

The roles of the ARC are aligned with the provisions of Section 201B(5) of the Companies Act, Cap. 50 and include the following:

- (i) Risk identification and reviewing the adequacy and effectiveness of financial, operational, compliance and information technology controls and risk management systems to ensure effectiveness in the management of risks and compliance with internal policies and external regulations;
- (ii) Review the effectiveness of the Group's internal audit function;
- (iii) Review the quarterly and annual financial statements and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance and recommend to the Board the acceptance of such financial statements;
- (iv) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (v) Review Interested Person Transactions;
- (vi) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vii) Review and approve the annual audit plans of the External Auditors;
- (viii) Review and approve the Internal Auditor's annual and three-year rolling work plans; and
- (ix) Review the effectiveness of the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on page 87 of this Annual Report.

### Audit and Risk Committee's Activities

The ARC held five meetings during the financial year under review. The MD/Group CEO, GCFO, Group Chief Internal Audit Officer (GCIAO) and the External Auditors were present at these meetings. The ARC reviewed and considered the following:

- (i) Internal Audit Quality Assurance Review;
- (ii) Group Internal Audit Goals in response to Internal Audit Quality Assurance Review;
- (iii) Overall scope of both internal and external audits and results of their respective audits;
- (iv) Significant internal and external audit observations and Management's responses;
- (v) Quarterly and full year results announcements and the financial statements and recommendation to the Board;
- (vi) Adoption of the Singapore Financial Reporting Standards (International);
- (vii) Risk management and internal controls;
- (viii) Independence of the External Auditors; and
- (ix) Re-appointment of External Auditors and its remuneration and recommendation to the Board.

In the performance of its duties, the ARC has explicit authority to investigate the affairs falling within its terms of reference, with full access to and cooperation from Management, discretion to invite any Director to attend its meetings and reasonable resources to enable it to discharge its duties properly.

The ARC meets with the Internal and External Auditors annually in the absence of Management. During these meetings, the Auditors may raise issues encountered in the course of their work directly to the ARC.



## Significant Financial Reporting Matters

In the review of the financial statements of the Group, the ARC considered the following key audit matters:

Significant Matters	Review Of Significant Matters By The ARC
Taxi vehicles, taxi licences and goodwill impairment review	The ARC considered the approach and methodology applied to the valuation model for taxi vehicles, taxi licences and goodwill impairment assessment. Following the review and discussions with Management and the External Auditor, the ARC is satisfied that the key assumptions used in the impairment assessment of taxi vehicles, taxi licences and goodwill are reasonable.
Valuation and completeness of provision for accident claims	The ARC considered the approach and methodology applied to the valuation and completeness of provision for settlement of accident claims. Following the review and discussions with Management and the External Auditor, the ARC is satisfied with the estimates used in determining the probability and amounts of expected settlement claims.
Business combinations	The ARC considered the approach and assessment of recording a provisional goodwill arising from acquisitions and that the final goodwill arising from the acquisitions is dependent on the completion of the valuation of the assets acquired and liabilities assumed. Following the review and discussions with Management and the External Auditor, the ARC is satisfied that the approach is reasonable as significant acquisitions were made in the last quarter of the financial year and there is a twelve month period to finalise the purchase price allocation under SFRS(I) 3 <i>Business Combination</i> .

Following the review and discussions on the above, the ARC recommended to the Board to approve the financial statements of the Group for the financial year ended 31 December 2018.

### Review of Independence of External Auditor

Prior to the re-appointment of the External Auditors, the ARC assesses their independence based on the guidelines set by the Accounting and Corporate Regulatory Authority. Having satisfied itself that the independence of the External Auditors, Deloitte & Touche LLP, is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with, the ARC has recommended to the Board that Deloitte & Touche LLP be nominated for reappointment as the Company's External Auditors at the next AGM.

As a further safeguard of Deloitte & Touche LLP's independence, the Deloitte & Touche LLP's partner in-charge of auditing the Company is changed every five years.

### Principle 13: Internal Audit

The internal audit function of the Group is performed by the Group Internal Audit Division comprising six suitably qualified and experienced Internal Audit staff including the GCIAO. The Group Internal Audit staff have professional qualifications and are members of the Institute of Singapore Chartered Accountants, Information Systems Audit and Control Association or Institute of Internal Auditors. The GCIAO reports functionally to the

Chairman of the ARC and administratively to the MD/Group CEO. The ARC approves the hiring, removal, evaluation and compensation of the GCIAO.

The Group Internal Audit Division adopts a risk based approach in its continuous audit work with focus on material internal control systems including financial, operational, information technology and compliance controls. It provides an independent and objective evaluation of the internal control systems and Corporate Governance processes of the Group. The annual and three year rolling audit plans are developed by the GCIAO in consultation with, but independent of, Management and are subject to the ARC's approval before the start of each financial year. Quarterly internal audit summary reports are also prepared and submitted to the ARC on the status of audits carried out. Any material non-compliance or lapses in internal controls are reported to the ARC and the MD/Group CEO for improvements to be made. The ARC has full access to the GCIAO and the independence of the internal audit function is ensured as the ARC meets with the GCIAO at least once a year in the absence of Management. The Group Internal Audit Division is given unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC.

The activities and organisational structure of the Group Internal Audit Division are monitored and reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions and that there are no unjustified restrictions and limitations placed on the performance of its duties. The Group Internal Audit Division has adopted the International

## CORPORATE GOVERNANCE

Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA Standards). The Group Internal Audit Division successfully completed its external Quality Assurance Review in 2018 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects. The next Quality Assurance Review is scheduled for 2023.

The Audit Committee finds the Group Internal Audit Division independent, effective and adequately resourced.

### 4. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

#### Principle 14: Shareholders Rights

##### Disclosure of Information to Shareholders

The Company notifies Shareholders in advance of the dates of release of its Financial Results through the Company's website as well as SGXNet. Communications with Shareholders is conducted through announcements to the SGXNet, media and analyst briefings after the announcement of the Financial Results, as well as the posting of announcements and press releases on the Company's website. The Group has formalised a Policy on Securities – Drafting and Releasing SGX Announcements to provide guidance on preparation of SGX announcements.

Shareholders may send in their requests or queries through the feedback channel provided on the website. The Company's IR team is accessible throughout the year to address Shareholders' queries. The contact details of the Group Chief Investor Relations Officer (GCIRO) can be found on the website.

Beyond complying with the requirements of the Code, the SGX-ST Listing Manual and the Companies Act, Cap. 50, the Company has also taken various additional measures to enhance Corporate Governance and improve transparency, including:

- (i) The Notice of AGM is released publicly at least 28 days before the AGM is held; and
- (ii) The Annual Report is available to all Shareholders at the Company's website at least 28 days before the AGM to ensure that all Shareholders have adequate time to review the Annual Report before the AGM. The electronic documentation demonstrates the Group's commitment towards Green and sustainable efforts. Upon request, hard copies are provided to Shareholders.

#### Principle 15: Communication with Shareholders

##### Regular, Effective and Fair Communications with Shareholders

It is our policy to disseminate accurate and pertinent information to the market in a timely manner as part of good Corporate Governance. We have put in place an IR programme to promote regular, effective and fair communications with Shareholders and

the investment community. The dedicated IR team works with Senior Management to proactively carry out this engagement programme.

Communications with the SGX-ST is handled by the Company Secretaries, while communications with Shareholders, analysts and fund managers is handled by the GCIRO. Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information.

In addition, the Company has put in place operational procedures to respond promptly to queries from the SGX-ST on any unusual trading activities in its securities and to clear all announcements to the SGXNet with the Board.

Our Sustainability Report, which is produced together with the Annual Report, highlights the economic, environmental and social aspects of our developments and operations in accordance with the Global Reporting Initiative Guidelines (G4 Core) and is issued ahead of the requirement under the SGX-ST Listing Manual.

##### Dividend Policy

The Company's dividend policy is to pay out at least 50% of profit attributable to Shareholders of the Company. The dividend policy takes into account the long-term objective of maximising shareholder value, availability of cash and retained earnings, projected Capital Expenditure and growth opportunities. The Company declares dividend semi-annually and informs its Shareholders of the dividend payments via announcements in the SGXNet. Dividends are paid to Shareholders in an equitable and timely manner.

#### Principle 16: Conduct of Shareholder Meeting

The Company views the AGM as a good opportunity for Shareholders to meet the Board and Senior Management. The top criterion for selecting the AGM venue is an easy to reach location within Singapore accessible by public transport. Shareholders are informed of Shareholders' Meetings through notices published in the newspapers and circulars sent to all Shareholders. All registered Shareholders are invited to attend and participate actively in the AGM and are given the opportunity to seek clarification or question the Group's strategic direction, business, operations, performance and proposed Resolutions.

All Directors including the Chairman of the Board, MD/Group CEO and the Chairmen of the various Board Committees together with Senior Management and the Company Secretaries are present to address any question or feedback raised by the Shareholders at the AGM and thereafter, including those pertaining to the proposed Resolutions before they are voted on. The External Auditors are also present to address Shareholders' queries about the conduct of audit and the preparation and contents of the Auditor's Report.

The Board had since 2009 removed and stopped seeking the general authority to issue shares to address concerns from the Shareholders that if this general authority to share issue was mandated, the Company could subsequently issue shares pursuant to this mandate, which would dilute their shareholding percentages and affect their voting rights.

The Constitution of the Company provides for voting in person and by proxy at the AGM of the Company. Each Shareholder is allowed to appoint up to two proxies to vote on his behalf at Shareholders' Meetings through proxy forms sent in advance. Relevant intermediaries such as the Central Provident Fund and custodian banks are entitled to appoint more than two proxies to attend, speak and vote at Shareholders' Meetings. Shareholders who hold shares through these relevant intermediaries will be allowed to attend, speak and vote at the AGM subject to being appointed a proxy by their respective relevant intermediaries.

Each issue or matter requiring Shareholders' approval is tabled as a separate and distinct Resolution. All the Resolutions at the Shareholders' Meetings are single item Resolutions. The Company will consider implementing absentia voting methods such as voting via mail, e-mail or fax when security, integrity and other pertinent issues are satisfactorily resolved.

The Company prepares Minutes of General Meetings that include substantial and relevant comments or queries from Shareholders relating to the agenda of the meeting and responses from the Board and Management. The Minutes are available to Shareholders upon their request.

The Company has adopted electronic poll voting for General Meetings since 2011 to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the Resolutions by poll, using an electronic voting system. The results of all votes cast for or against each Resolution or abstentions if any and the respective percentages (Voting Results) and the names of the independent scrutineers for the AGM are presented during the AGM and are announced via the SGXNet after the AGM. The Company is committed to high standards of Corporate Governance and transparency.

## 5. ADDITIONAL MEASURES TO ENHANCE CORPORATE GOVERNANCE

The Company has also undertaken various additional measures to enhance Corporate Governance as follows:

### Corporate Gifts/Entertainment Policy

Whilst business gifts and entertainment are courtesies that build goodwill and sound working relationships among Business Partners, the Group does not tolerate the improper use of gifts or entertainment to gain any special advantage in a business relationship.

The Group discourages the receipt of gifts or acceptance of entertainment, loans or other favours as these may compromise an employee's ability to make objective, independent and fair business decisions. Offering excessive gifts in whatever form or entertainment to others can also be opened to misinterpretation.

Employees are therefore not permitted to offer or accept any gifts or entertainment without first seeking their supervisor's authorisation. Employees who receive gifts directly or indirectly in relation to their employment with the Group are expected to notify their supervisors and declare such gifts to the Group Human Resource Department. All gifts declared are processed through structured corporate procedures to ensure proper accountability.

Business gifts presented and entertainment on the Group's behalf are consistent with generally Corporate Governance accepted business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country we operate in or company in which we have dealings with.

### Anti-Corruption Policy

The Group complies with all the laws of the jurisdictions in which it operates and conducts businesses in an open, transparent manner, and prohibits employees from directly or indirectly offering, promising to pay, or authorising the payment of money or anything of value for the purpose of gaining perceived personal advantage for the Group. All employees are responsible for following the Group's procedures, including audit controls, for carrying out and reporting business transactions.

### Block Leave Policy

As a further risk mitigation measure and to enhance governance, the Group has a Block Leave Policy in place which applies to Employees holding key functions. This arrangement allows covering officers to fully step into the duties of the Employees on leave as an additional check and balance against any breaches.

### Health and Safety Policy

Given the nature of the Group's businesses, the health and safety of the employees and customers are of paramount importance. We comply with statutory requirements and regulations and procedures are put in place to guide proper safe work practices for the well-being of all employees and customers. Employees are sent for training to equip them with the required competencies.

Employees are to observe safety rules and carry out safe work practices that apply to their jobs to ensure a safe work environment for everyone.

### Information Protection Policy

The Group has also implemented an Information Protection Policy to ensure that all documents and data information of the Group are properly safeguarded.

Information is classified into secret, confidential, restricted and unrestricted use based on its nature, contents and implications. Processes and systems used to store, process or communicate the information provide protection from unauthorised disclosure and use.

### Data Protection Policy

Business Units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act and Do Not Call provisions that came into force in 2014.

### Cyber Security Policy

The Group has adopted the International Information Security Standard ISO 27000 in assessing and formulating our cyber security framework. The Group regularly reviews our cyber security measures

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to ensure effective protection of our information technology systems and databases. We have implemented multi-layered defence, including firewalls, intrusion prevention system, network access control, server hardening, data encryption and employee security training. We keep abreast of the evolving threats and the latest techniques, and actively collaborate with cyber security authorities and regulators to develop appropriate countermeasures.

We will continue to strengthen our capabilities in light of the way cyber security risks will evolve with the digital age. As and when necessary, we will take appropriate risk management decisions and implement security controls to secure our information infrastructure, systems and databases.

### Supplier Ethics Policy

The Group procures a wide range of goods and services from various businesses, companies, persons and entities and requires its suppliers to be in full compliance with all applicable laws and regulations and practice fair competition in accordance with local anti-trust and competition regulations. Suppliers must conduct their businesses with integrity, transparency and honesty and the Group does not condone any corrupt and fraudulent practice.

Suppliers must have in place health and safety policies for its employees and be committed to good environmental, social and governance practices. Suppliers must not trade in the securities of the Group while in possession of confidential non-public information.

### Creditors' Payment Policy

The Group values its suppliers and is committed to safeguarding creditors' rights and acknowledges the importance of paying invoices, especially those of small businesses, in a timely manner. It is the Group's practice to agree terms with suppliers when entering into contracts. We negotiate with suppliers on an individual basis and meet our obligations accordingly.

## Interested Person Transactions

### Listing Manual – Rule 907

There were no Interested Person Transactions of or over S\$100,000 in value entered into during the financial year under review.

There is no Shareholder's mandate for Interested Person Transactions pursuant to Rule 920 of the SGX-ST Listing Manual.

## Disclosure On Compliance With The Code Of Corporate Governance 2012

Guideline	Questions	How has the Company complied?
General	<p>(a) Has the Company complied with all the principles and guidelines of the Code? If not, please state the specific deviations and the alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</p> <p>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?</p>	<p>Yes, the Company has complied with all material aspect of the principles and guidelines of the Code.</p> <p>Not applicable.</p>
<b>Board Responsibility</b>		
Guideline 1.5	What are the types of material transactions which require approval from the Board?	ComfortDelGro has adopted internal guidelines setting forth certain matters that require the Board's approval. Under these guidelines, acquisitions of businesses, disposals or changes in equity interests in existing subsidiaries/ associates, investment in financial instruments, tender for businesses above the prescribed limits, assessing and approving key business decisions, funding and investment initiatives and other corporate actions, including approval of the Financial Authority Limits, Annual Budget and Capital Expenditure and the release of the quarterly and full-year Financial Results require approval from the Board. In addition, the acceptance of credit facilities from banks, the establishment of capital market programmes and the issuance of debt instruments require the approval of the Board.
<b>Members Of The Board</b>		
Guideline 2.6	<p>(a) What is the Board's policy with regard to diversity in identifying director nominees?</p> <p>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</p> <p>(c) What steps has the Board taken to achieve the balance and diversity necessary to maximize its effectiveness?</p>	<p>The Board believes that it is important to have diversity of competencies including gender diversity to support the growth of the Group. The Nominating Committee (NC) reviews annually the balance and diversity of skills, experience, gender and knowledge required by the Board and the size of the Board.</p> <p>Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge and core competencies required for the Board and Board Committees to discharge their responsibilities effectively.</p> <p>In relation to gender diversity, approximately 27% of the Board, or three out of the eleven Board Members are females.</p> <p>The NC reviews the composition of the Board annually to ensure that the Board is of an adequate size with the right mix of skills and experience that facilitates effective decision making.</p>

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Guideline	Questions	How has the Company complied?
Guideline 4.6	Please describe the Board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.	<p><b>For new Directors</b></p> <p>The NC annually reviews the size, effectiveness, diversity of skills and core competencies of the Board taking into consideration the current and future business needs of the Group.</p> <p>The NC considers the range of skills, knowledge, attributes and experience of the existing Directors, the retirement and re-election of Directors, each Director's contribution and commitment and whether new competencies are required to enhance the effectiveness of the Board. When the need for a new Director arises, the NC will shortlist and meet potential candidates and recommend the most suitable candidate to the Board for appointment as a Director.</p> <p><b>For incumbent Directors</b></p> <p>Pursuant to the Company's Constitution, one-third of the Directors retire from office at the Company's Annual General Meeting (AGM). Newly appointed Directors are subject to retirement and re-election at the AGM immediately following their appointments.</p> <p>The NC reviewed each of the retiring Director's contribution and performance, such as attendance, preparedness, participation and candour, and made the relevant recommendations to the Board for subsequent Shareholders' approval at the AGM.</p>
Guideline 1.6	<p>(a) Are new directors given formal training? If not, please explain why.</p> <p>(b) What are the types of information and training provided to (i) new directors and (ii) existing directors to keep them up-to-date?</p>	<p>Yes.</p> <p>Management will conduct a comprehensive orientation programme for newly appointed Directors, where key aspects of the businesses, including financial and corporate governance policies are discussed. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with its terms of reference.</p> <p>The Company Secretaries assist in professional development and training by regularly disseminating details of suitable seminars and courses organised by the Singapore Institute of Directors and arranging for the Directors to attend such courses when requested. The Company Secretaries organise in-house trainings for Directors where necessary. The Company Secretaries also update the Board on corporate governance practices and circulate articles relating to changes in laws relevant to the Group's businesses.</p>

Guideline	Questions	How has the Company complied?
Guideline 4.4	(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?	The Board has determined that the maximum number of listed company board representations held by a Director who is not in full-time employment should not exceed six. For a Director who is in full-time employment, it should not exceed three. This is to ensure that all Directors have sufficient time and attention to discharge their duties adequately. None of the Directors had exceeded the maximum number of listed board representations prescribed by the Board.
	(b) If a maximum number has not been determined, what are the reasons?	Not applicable.
	(c) What are the specific considerations in deciding on the capacity of directors?	The contributions of a Director are key in deciding on a Director's capacity to take on other multiple board appointments.
<b>Board Evaluation</b>		
Guideline 5.1	(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?	In the last quarter of 2018, the NC conducted an evaluation of Board Performance which included key points on the Board's composition, Board's contributions, contributions from Board Committees and conduct of proceedings and whether the Directors had discharged their duties effectively. The findings were then presented by the NC Chairman to the Board during its Meeting for the Board to deliberate on the findings and discuss possible areas of improvement to enhance the Board's overall effectiveness.
	(b) Has the Board met its performance objectives?	Yes. The Board was effective as a whole based on the overall assessment for 2018.
<b>Independence of Directors</b>		
Guideline 2.1	Does the Company comply with the guideline on the proportion of independent directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	Yes. The Board comprises eleven Directors and ten of them are considered by the NC to be independent. This composition exceeds the Code's requirement of at least one-third of the Board of Directors to comprise independent Directors.
Guideline 2.3	(a) Is there any director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the director and specify the nature of such relationship.	No.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	Not applicable.

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Guideline	Questions	How has the Company complied?
Guideline 2.4	Has any independent director served on the Board for more than nine years from the date of his first appointment? If so, please identify the director and set out the Board's reasons for considering him independent.	<p>Yes, Mr Lim Jit Poh, Mr Ong Ah Heng, Ms Sum Wai Fun, Adeline, Dr Wang Kai Yuen and Mr Wong Chin Huat, David are independent Directors who have served on the Board for more than nine years as at 31 December 2018.</p> <p>The NC considered that these Directors have each demonstrated independent judgement at Board and Board Committee Meetings, and was of the firm view that they have at all times been exercising independent judgement in the best interests of the Company in the discharge of their duties as Directors.</p>
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes, disclosures are made in accordance with the Code.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of \$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes, disclosures are made in accordance with the Code.
Guideline 9.3	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Yes, disclosure is made in accordance with the Code.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds \$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Nil.



Guideline	Questions	How has the Company complied?
Guideline 9.6	<p>(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.</p> <p>(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?</p> <p>(c) Were all of these performance conditions met? If not, what were the reasons?</p>	<p>The Group advocates a performance-based remuneration system that aligns the remuneration of MD/Group CEO and Senior Management to business results and shareholder returns. The total remuneration mix comprises fixed and variable components. The variable component, in the form of an annual performance incentive bonus, forms a significant proportion of the remuneration packages.</p> <p>The annual performance incentive is linked to the Group's and the individual's performance. The Performance Scorecard is used to measure both financial and non-financial performance of key executives. The individual's scorecard performance areas are linked to the overall strategic goals and objectives of the Group.</p> <p>The amount and mix of reward incentives, which are developed with a focus on long-term shareholders' returns, are responsive to the operating environment and labour market.</p> <p>In awarding the incentives, the Group takes into account the key executive's performance in four key broad areas of the Performance Scorecard, namely</p> <ul style="list-style-type: none"> <li>a) Financial;</li> <li>b) Customers;</li> <li>c) Processes; and</li> <li>d) People Development.</li> </ul> <p>Yes.</p>
<b>Risk Management and Internal Controls</b>		
Guideline 6.1	What types of information does the Company provide to independent directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?	Prior to each Board and Board Committee Meeting, Management provides Directors with complete, adequate and timely information. The Board also receives monthly management accounts and quarterly Investor Relations (IR) Reports covering IR activities and updates of analysts' views and comments. This enables the Board to make informed and sound business decisions and be kept abreast of key challenges, opportunities and developments for the Group.
Guideline 13.1	Does the Company have an internal audit function? If not, please explain why.	Yes.

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Guideline	Questions	How has the Company complied?
Guideline 11.3	<p>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</p> <p>(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the internal auditor that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?</p>	<p>Risk management is an important and integral part of ComfortDelGro's strategic planning and decision-making process. Key risks are identified and presented to the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional level, with stewardship retained at Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy and effectiveness of the risk governance, risk policy and internal controls in place are also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the Audit and Risk Committee (ARC), that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems are in place within the Group.</p> <p>For the Financial Year (FY) 2018, the Board has received assurance from the MD/Group CEO and the Group Chief Financial Officer that (i) the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group's risk management and internal control systems (including financial, operational, compliance and information technology controls) are adequate and effective</p>
Guideline 12.6	<p>(a) Please provide a breakdown of the fees paid in total to the external auditors for audit and non-audit services for the financial year.</p> <p>(b) If the external auditors have supplied a substantial volume of non-audit services to the Company, please state the bases for the Audit Committee's view on the independence of the external auditors.</p>	<p>The audit and non-audit fees to the External Auditors of the Company and its subsidiaries for FY 2018 are \$1.4 million and \$0.3 million respectively.</p> <p>The ARC undertook a review of the independence and objectivity of the External Auditors by reviewing the non-audit fees awarded to them and has confirmed that the non-audit services performed by the External Auditors were not substantial and would not affect their independence.</p>

Guideline	Questions	How has the Company complied?
<b>Communication with Shareholders</b>		
Guideline 15.4	<p>(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors?</p> <p>(b) Is this done by a dedicated IR team (or equivalent)? If not, who performs this role?</p> <p>(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the annual report?</p>	<p>Yes, the Company is committed to disseminating accurate and pertinent information to the Shareholders in a timely manner. In FY 2018, the Company held over 170 meetings and conference calls with institutional investors and analysts. Besides face-to-face office meetings and conference calls, the Company also participated in eight investor conferences in Singapore, Kuala Lumpur, Hong Kong, Tokyo and Taipei. These provided access to a wide cross section of institutional investors from around the world.</p> <p>For the retail investors, the Company organised investors presentation at the SGX Auditorium together with a local securities broker. Retail investors can also send in their queries through a link on the IR page of the Company's website. The telephone and email contact details of the Group Chief Investor Relations Officer are also listed on the page.</p> <p>All Shareholders also have the opportunity to interact and speak with the Directors and Senior Management at the Company's AGMs and thereafter.</p> <p>Yes, there is a dedicated IR team, which works closely with Senior Management to carry out the investor engagement programme.</p> <p>All announcements to SGX-ST, news releases, financial results, financial calendar and the Annual Reports are posted on the IR page of the Company's website.</p>
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not applicable.

## DIRECTORS' PARTICULARS

Name	Age (as at 31 December 2018)	Present Directorships / Chairmanships	Past Directorships / Chairmanships held over the preceding five years (from 1 January 2014 to 31 December 2018)		Past Principal Commitments over the preceding five years
			Present Principal Commitments	Present Principal Commitments	
<b>Lim Jit Poh</b> Chairman (Non-executive & Independent)	79	<p>Principal Directorships in the ComfortDelGro Group</p> <ul style="list-style-type: none"> <li>• Beijing Jin Jian Taxi Services Co., Ltd</li> <li>• Comfort Transportation Pte Ltd</li> <li>• CityCab Pte Ltd</li> <li>• ComfortDelGro Engineering Pte Ltd</li> <li>• CityFleet Networks Limited</li> <li>• ComfortDelGro Corporation Australia Pty Ltd</li> <li>• Guangzhou Xin Tian Wei Transportation Development Co., Ltd</li> <li>• Metroline Limited</li> <li>• Swan Taxis Pty Ltd</li> </ul> <p>Directorship in the SBS Transit Group</p> <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> </ul> <p>Principal Directorships in the VICOM Group</p> <ul style="list-style-type: none"> <li>• VICOM Ltd*</li> <li>• Setsco Services Pte Ltd</li> </ul> <p>Other Companies</p> <ul style="list-style-type: none"> <li>• Family Leisure Pte Ltd</li> <li>• NCI Golf Pte Ltd</li> <li>• Pasir Ris Resort Pte Ltd</li> <li>• SLF Leisure Enterprises (Pte) Ltd</li> <li>• Surbana Property Investment Pte Ltd</li> <li>• Capitaland Township Development Fund Pte Ltd</li> <li>• Capitaland Township Development Fund II Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Ascott Residence Trust Management Ltd*</li> </ul>	Nil	Nil

\* Listed Company

Name	Age (as at 31 December 2018)	Present Directorships / Chairmanships	Past Directorships / Chairmanships held over the preceding five years (from 1 January 2014 to 31 December 2018)	Present Principal Commitments	Past Principal Commitments over the preceding five years
<b>Yang Ban Seng</b> Managing Director / Group Chief Executive Officer	62	<p>Principal Directorships in the ComfortDelGro Group</p> <ul style="list-style-type: none"> <li>• Beijing Jin Jian Taxi Services Co., Ltd</li> <li>• Comfort Transportation Pte Ltd</li> <li>• CityCab Pte Ltd</li> <li>• ComfortDelGro Engineering Pte Ltd</li> <li>• CityFleet Networks Limited</li> <li>• ComfortDelGro Corporation Australia Pty Ltd</li> <li>• Guangzhou Xin Tian Wei Transportation Development Co., Ltd</li> <li>• Metroline Limited</li> <li>• Swan Taxis Pty Ltd</li> </ul> <p>Directorships in the SBS Transit Group</p> <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> <li>• SBS Transit DTL Pte Ltd</li> </ul> <p>Principal Directorships in the VICOM Group</p> <ul style="list-style-type: none"> <li>• VICOM Ltd*</li> <li>• Setsco Services Pte Ltd</li> <li>• JIC Inspection Services Pte Ltd</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• SBS Transit Ltd* (Executive Deputy Chairman &amp; Chief Executive Officer)</li> </ul>	<ul style="list-style-type: none"> <li>• Comfort Transportation Pte Ltd and CityCab Pte Ltd (Chief Executive Officer)</li> </ul>
<b>Jessica Cheam</b> Director (Non-executive & Independent)	35	<p>Other Companies</p> <ul style="list-style-type: none"> <li>• Eco-Business Pte Ltd</li> <li>• Embodhi (Singapore) Limited</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• Eco-Business Pte Ltd (Managing Editor)</li> <li>• Blue Planet Environmental Solutions (Strategic Advisor)</li> </ul>	<ul style="list-style-type: none"> <li>• The Straits Times Correspondent</li> </ul>
<b>Chiang Chie Foo</b> Director (Non-executive & Independent)	62	<p>Other Companies</p> <ul style="list-style-type: none"> <li>• Ascendas Property Fund Trustee Pte Ltd (Manager of Ascendas India Trust*)</li> </ul>	<ul style="list-style-type: none"> <li>• Rowsley Ltd*</li> </ul>	<ul style="list-style-type: none"> <li>• PUB, Singapore's National Water Agency (Chairman since 2017)</li> <li>• Central Provident Fund (Chairman since 2013)</li> <li>• Ascendas Property Fund Trustee Pte Ltd (Manager of Ascendas India Trust*) (Chairman since 2016)</li> <li>• Ministry of Defence (Senior Advisor since 2013)</li> <li>• Epworth Community Services (Board Member since 2017)</li> <li>• Valencia Club De Futbol (Director since 2014)</li> </ul>	<ul style="list-style-type: none"> <li>• Rowsley Ltd* (Chairman)</li> </ul>
<b>Lee Khai Fatt, Kyle</b> Director (Non-executive & Independent)	67	<p>Other Companies</p> <ul style="list-style-type: none"> <li>• Great Eastern Holdings Limited*</li> <li>• CapitaLand Mall Trust Management Ltd (Manager for CapitaLand Mall Trust*)</li> <li>• FEO Hospitality Management Pte Ltd (Manager for Far East Hospitality Trust*)</li> <li>• FEO Hospitality Trust Management Pte Ltd (Manager for Far East Hospitality Business Trust)</li> <li>• Great Eastern Life Assurance Company Limited</li> </ul>	<ul style="list-style-type: none"> <li>• MFS Technology Ltd*</li> </ul>	Nil	Nil

\* Listed Company

## DIRECTORS' PARTICULARS

Name	Age (as at 31 December 2018)	Present Directorships / Chairmanships	Past Directorships / Chairmanships held over the preceding five years (from 1 January 2014 to 31 December 2018)	Present Principal Commitments	Past Principal Commitments over the preceding five years
<b>Ong Ah Heng</b> Director (Non-executive & Independent)	75	Directorship in the ComfortDelGro Group <ul style="list-style-type: none"> <li>ComfortDelGro Engineering Pte Ltd</li> </ul>	Nil	Nil	Nil
<b>Ooi Beng Chin</b> (Non-executive & Independent)	57	Other Companies <ul style="list-style-type: none"> <li>Bestpeer Pte Ltd</li> </ul>	Nil	<ul style="list-style-type: none"> <li>NUS Graduate School (Professor)</li> </ul>	Nil
<b>Sum Wai Fun, Adeline</b> Director (Non-executive & Independent)	50	Other Companies <ul style="list-style-type: none"> <li>Mercatus Co-operative Limited</li> <li>NTUC Health Co-operative Ltd</li> <li>Moneyowl Pte Ltd</li> </ul>	Nil	<ul style="list-style-type: none"> <li>Singapore Labour Foundation (Chief Executive Officer)</li> <li>NTUC Enterprise Co-operative Limited (Deputy Chief Executive Officer)</li> <li>NTUC Fairprice Co-operative Limited (Managing Director)</li> </ul>	<ul style="list-style-type: none"> <li>NTUC Enterprise Co-operative Limited (Chief Development Officer)</li> <li>Mercatus Co-operative Limited (Chief Executive Officer)</li> <li>NTUC Choice Homes Co-operative Limited (Chief Executive Officer)</li> </ul>
<b>Tham Ee Mern, Lilian</b> Director (Non-executive & Independent)	50	Other Companies <ul style="list-style-type: none"> <li>Schroder Investment Management (Singapore) Ltd</li> <li>Schroder Singapore Holdings Pte Ltd</li> <li>SIMBL Nominees Pte Ltd</li> <li>Schroder India Pte Ltd</li> </ul>	Nil	<ul style="list-style-type: none"> <li>Schroder Investment Management (Singapore) Ltd (Head of Operations &amp; Technology for Asia Pacific and Chief Operating Officer for Singapore)</li> </ul>	Nil
<b>Wang Kai Yuen</b> Director (Non-executive & Independent)	71	Other Companies <ul style="list-style-type: none"> <li>China Aviation Oil (Singapore) Corporation Ltd*</li> <li>COSCO Corporation (Singapore) Ltd*</li> <li>Cubee Pte Ltd</li> <li>Ezion Holdings Ltd*</li> <li>HLH Group Ltd *</li> <li>Emas Offshore Ltd *</li> <li>Great Source Pte Ltd</li> <li>Waan Holdings Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>A-Sonic Aerospace Ltd*</li> <li>Matex International Ltd*</li> </ul>	Nil	Nil
<b>Wong Chin Huat, David</b> Director (Non-executive & Independent)	70	Other Company <ul style="list-style-type: none"> <li>CapitaMalls Malaysia REIT Management Sdn Bhd</li> </ul>	<ul style="list-style-type: none"> <li>SBS Transit Ltd*</li> </ul>	<ul style="list-style-type: none"> <li>Ramdas &amp; Wong Advocates &amp; Solicitors (Consultant)</li> <li>NTUC-U Care Fund Board of Trustees (Chairman)</li> </ul>	Nil

\* Listed Company

## RISK MANAGEMENT

**Risk management is an important and integral part of the ComfortDelGro Group's strategic planning and decision making process. The Group's Risk Management Framework provides a systematic process for the Business Units to identify and review the nature and complexity of the risks involved in their business operations and to prioritise resources to manage them. The Group is committed to enhance shareholder value through growth that is sustainable and profitable, while taking measured and well-considered risks.**

The Group's approach to risk management is underpinned by several key principles:

The risk management process is a continuous and iterative one, as the Group's businesses and operating environments are dynamic. Risk identification, assessment and risk management practices are reviewed and updated regularly to manage risks proactively.

We promote and inculcate risk awareness among all our employees by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular exercises, continuous education and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed and risk-aware culture in the Group.

Ownership of and accountability for the risk management process is clearly defined and assigned to the Business Units, departments and individuals. Managers at each level have intimate knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management.

The Management Risk Committee (MRC) works closely with the Business Units to ensure that risk management is taken seriously and the Risk Management Framework is diligently implemented across the Group. Members of the MRC are drawn from senior management staff of the major Business Units and key business functions. Key risks for the Group are identified and presented to the Audit and Risk Committee and the Board annually.

The different Business Units have different risk profiles and there are different programmes to manage the risks. The risk management programmes are regularly stress-tested to ensure that they remain relevant and that they meet changing business requirements. The key risks faced by the Group, the relevant mitigating factors and how they are managed are set out in the paragraphs below.

### FINANCIAL RISKS

The Group has established internal control systems to safeguard its assets and regularly reviews the effectiveness of these controls to improve and fortify financial discipline. All policies and procedures on financial matters, including approval limits and authority, are clearly defined in the Group's Financial Procedures Manual.

### Financial Authority Limits

Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, direct investments, revenue tender participation and disposal and write-off of assets. These authority limits are delegated based on the organisational hierarchy from the Board down to the Managing Director/Group Chief Executive Officer (MD/Group CEO) and the Heads of Business Units/Departments, with the Board retaining the ultimate authority. Any expenditure exceeding the highest authority limit is referred to the Board for approval. To ensure that the Group's assets continue to be managed prudently, the Board periodically reviews the mandate that it delegates to Management.

### Budget Control

A robust and comprehensive Annual Budget is prepared and approved by the Board prior to the commencement of each financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis, with explanations provided. Specific approvals are required for unbudgeted expenditures exceeding a relevant threshold. The capital expenditure budget is approved in-principle by the Board as part of the Annual Budget. Each capital expenditure is subjected to rigorous justification and review before it is incurred in accordance with the Group's financial authority limits. Tight control on manpower is exercised through headcount budgets.

### Financial Risk Management

The Group recognises that prudent management of financial risks is an important aspect in the creation of shareholder value. The main areas of financial risks faced by the Group are foreign exchange/currency risk, interest rate risk, credit/counter-party risk, liquidity risk and fuel and electricity price risk. It is the Group's policy not to participate in financial derivative instruments, except for use as hedging instruments, where appropriate. Sensitivity analysis and reviews of the Group's exposure to financial risks under changing market conditions are carried out regularly.

A detailed description of the financial risks and how the Group manages them are set out in the Notes to the Financial Statements on pages 111 to 188.

### Economic Cycle

Changes in economic conditions in the countries that the Group operates in may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We also monitor demand trends and operating margins closely. Expenses are managed in the light of revenue patterns and changing market conditions and to drive improvements in cost structures. Where possible, revenue risks are mitigated by diversifying revenue streams to non-fare sources.

## RISK MANAGEMENT

### OPERATIONAL RISKS

Operational risks may arise from failures in internal controls, operational processes or the supporting systems. The Group has put in place operating manuals, standard operating procedures, authority guidelines and a regular reporting framework to manage these risks.

#### Safety

Managing the safety and security of our customers, our staff and the public is the cornerstone of the Group's safety and security plan. We run safety awareness and training programmes to instil a safety and security conscious culture in employees at all levels. Safety audits are conducted regularly to ensure that safety standards are maintained. The Group works closely with the relevant Authorities to ensure that the security of our bus and train services and facilities are not compromised. Drills and exercises are conducted regularly, both internally and together with external agencies. Besides patrolling guards, fence intrusion detection systems and other security features are installed at all our operating facilities. Members of the public are encouraged to look out for suspicious objects or persons.

#### Environmental

The Group is committed to being a socially responsible organisation through minimising the impact our business activities have on the environment. Our operations, accidents and natural events can result in pollution or other environmental risks. To limit these risks, we engage in active environmental risk management, ensuring that we target the problems that could arise and that preventive measures are put in-place. We comply with all relevant regulations in the countries that we operate in. Ways in which the Group works to protect the environment can be found in our Sustainability Report.

#### Human Resource

The Group's ability to develop and grow the business internationally depends on the quality of its employees, and it is committed to invest in building its resource pool to support this growth. We have in place various programmes and processes that focus on several key areas, including talent management and building management bench strength, succession planning, performance management, compensation and benefits, training and development, employee conduct and supervision, as well as occupational health and safety. We ensure that our employees are selected based on merit, they understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. We ensure that all terms and conditions of employment, along with policies and procedures, are in compliance with the relevant regulations.

#### Property and Liability

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with the Group's in-house insurance broking associate. Together with external risk management consultants, we ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are retained internally and risks that are placed out with underwriters.

### Business Continuity

We have put in place Business Continuity Plans (BCPs) to mitigate the risks of disruption and catastrophic loss to our operations, people, information database and other assets. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business functions and recovery of information database. We update and test the BCPs regularly. Drills and emergency response exercises are conducted to familiarise employees with the various incident management plans. The BCPs enhance the Group's operational readiness and resilience to potential business disruptions.

### INFORMATION TECHNOLOGY RISKS

Information technology system failures are key risks for the Group since almost all the businesses rely heavily on information technology. This can take the form of a major system failure which can result in disruption of the business, loss of data or a security breach of our information technology systems. Information security is about protecting information and information systems from unauthorised access, use, disclosure, disruption, modification or destruction. The Group's information technology security management framework complies with current industry standards. We have put in place various controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and Cyber threats. Penetration tests are carried out regularly to test the systems, identify potential vulnerabilities and to strengthen the security hardening of our websites. Information security policies and procedures, including education for all staff, are reviewed and enhanced regularly.

### COMPLIANCE RISKS

The Group keeps abreast and complies with all laws and regulations governing the conduct of business in the countries that it operates in. The businesses within the Group operate in regulated environment in different countries. These regulations include pricing, service standards, licences to operate and transport policies, which are stipulated by the relevant regulatory Authorities. We work closely with regulatory Authorities in the respective countries as part of our risk management process to keep abreast of developments and policies that may affect our businesses and the competitive landscape. We manage our operations effectively to ensure that standards are met, thereby reducing significantly the risk of licences being withdrawn.

### STRATEGIC RISKS

We evaluate each new investment proposal to ensure that it is in line with the Group's strategy and investment objectives, and that it is able to meet the relevant hurdle rates of return. This assessment includes macro and project specific risks analysis covering feasibility study, due diligence, financial modelling and sensitivity analysis of key investment assumptions and variables. To ensure that the rate of return on any new investment or business opportunity commensurate with the risk exposure taken, the new investment opportunity is evaluated in terms of (a) profitability; (b) return on investment; (c) pay back period;



(d) cash flow generation; (e) potential for internal and external growth; and (f) investment climate and political stability of the country. The investment proposal has to be approved according to the financial authority limits approved by the Board.

### AUDIT PROCESS

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. Non-compliance and recommendations for improvements are reported to the Audit and Risk Committee (ARC), which reviews the effectiveness of the actions taken to mitigate the risks. In the course of their audits, the Internal and External Auditors will highlight to the Management and the ARC the areas where there are material deficiencies, weaknesses or where there are occurrences or potential occurrence of significant risk events. The auditors will also propose mitigating measures and treatment plans. The recommendations are followed up as part of the Group's continuous review of the system of internal controls.

### CODE OF BUSINESS CONDUCT AND WHISTLE BLOWING POLICY

The Group has adopted a Code of Business Conduct which sets out the principles and policies upon which businesses are conducted. The Code of Business Conduct includes the anti-corruption and anti-bribery policies which stress on zero tolerance on fraud, improper use of monetary favours, gifts or entertainment. In addition, employees should not put themselves in a position of conflict of interest with the Group. If there is a

conflict of interest, employees should declare to their immediate supervisors and should not participate in the decision process.

The Whistle Blowing Policy is to provide a mechanism for employees to raise concerns, through well-defined and accessible confidential disclosure channels about possible improprieties in financial reporting or other improper business conduct. Employees are given a Company Handbook detailing how they can go about raising their concerns. Incidents can also be reported through a direct link to the MD/Group CEO, the Group Chief Human Resource Officer or the Group Chief Internal Audit Officer on the Group's Intranet. All cases are investigated and dealt with promptly and thoroughly.

### OPINION OF THE BOARD

Risk management is an important and integral part of ComfortDelGro's strategic planning and decision-making process. Key risks are identified and presented to the Board annually. Ownership of the risk management process is clearly defined and cascaded to the executive and functional levels, with stewardship retained at the Senior Management. Action plans that are necessary to manage the risks are in place and closely monitored. The adequacy and effectiveness of the risk governance, risk policy and internal controls in place are also assessed as part of the process. Based on these reviews, the Board is of the view, with the concurrence of the ARC, that adequate and effective internal controls (including financial, operational, compliance and information technology controls) and risk management systems are in place within the Group.

## DIRECTORIES

### SINGAPORE

#### Bus

##### ComfortDelGro Bus Pte Ltd

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6553 3838  
Fax: (65) 6456 0922  
Website: www.comfortdelgrobus.com.sg  
Email: enquiry@comfortdelgrobus.com.sg

##### SBS Transit Ltd\*

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6284 8866  
Fax: (65) 6287 0311  
Website: www.sbstransit.com.sg  
Email: crc@sbstransit.com.sg

#### Taxi

##### CityCab Pte Ltd

600 Sin Ming Ave  
Singapore 575733  
Mainline: (65) 6555 1188  
Fax: (65) 6453 3183  
Website: www.cdgtaxi.com.sg  
Email: feedback@cdgtaxi.com.sg

##### Comfort Transportation Pte Ltd

383 Sin Ming Drive  
Singapore 575717  
Mainline: (65) 6555 1188  
Fax: (65) 6453 3183  
Website: www.cdgtaxi.com.sg  
Email: feedback@cdgtaxi.com.sg

#### Rail

##### SBS Transit DTL Pte Ltd

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6284 8866  
Fax: (65) 6287 0311  
Website: www.sbstransit.com.sg  
Email: crc@sbstransit.com.sg

##### SBS Transit Ltd\*

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6284 8866  
Fax: (65) 6287 0311  
Website: www.sbstransit.com.sg  
Email: crc@sbstransit.com.sg

#### Automotive Engineering Services

##### ComfortDelGro Engineering Pte Ltd

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6383 6280  
Fax: (65) 6280 9755  
Website: www.cdge.com.sg  
Email: enquiries@cdge.com.sg

#### Inspection & Testing Services

##### VICOM Ltd\*

385 Sin Ming Drive  
Singapore 575718  
Mainline: (65) 6458 4555  
Fax: (65) 6458 1040  
Website: www.vicom.com.sg  
Email: customerservice@vicom.com.sg

##### VICOM Inspection Centre Pte Ltd

385 Sin Ming Drive  
Singapore 575718  
Mainline: (65) 6458 4555  
Fax: (65) 6458 1040  
Website: www.vicom.com.sg  
Email: customerservice@vicom.com.sg

##### JIC Inspection Services Pte Ltd

53 Pioneer Road  
Singapore 628505  
Mainline: (65) 6863 9639  
Fax: (65) 6863 1838  
Website: www.vicom.com.sg  
Email: customerservice@vicom.com.sg

##### Setesco Services Pte Ltd

18 Teban Gardens Crescent  
Singapore 608925  
Mainline: (65) 6566 7777  
Fax: (65) 6566 7718  
Website: www.setesco.com  
Email: marketing@setesco.com

##### Setesco Consultancy International Pte Ltd

18 Teban Gardens Crescent  
Singapore 608925  
Mainline: (65) 6566 7777  
Fax: (65) 6566 7718  
Website: www.setesco.com  
Email: marketing@setesco.com

#### Driving Centre

##### ComfortDelGro Driving Centre Pte Ltd

205 Ubi Avenue 4  
Singapore 408805  
Mainline: (65) 6841 8900  
Fax: (65) 6841 8913  
Website: www.cdc.com.sg  
Email: info@cdc.com.sg

#### Car Rental & Leasing

##### ComfortDelGro Rent-A-Car Pte Ltd

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6882 0888  
Fax: (65) 6665 1818  
Website: www.cdgrentacar.com.sg  
Email: sales@cdgrentacar.com.sg

#### Insurance Broking Services

##### ComfortDelGro Insurance Brokers Pte Ltd

205 Braddell Road  
Singapore 579701  
Mainline: (65) 6383 8833  
Fax: (65) 6286 2112  
Email: insurance@comfortdelgro.com.sg

#### Outdoor Advertising

##### Moove Media Pte Ltd

600 Sin Ming Avenue  
Level 2 CityCab Building  
Singapore 575733  
Mainline: (65) 6383 7035  
Fax: (65) 6288 7112  
Website: www.moovemediam.com.sg  
Email: advertising@moovemediam.com.sg

### CHINA

#### NORTH CHINA BUSINESS UNIT

##### Beijing

#### Taxi

##### Beijing Jin Jian Taxi Services Co., Ltd

Room 101 on the 3rd Floor  
BLK 1, Shifu Road A2  
Shi Jing Shan District  
Beijing  
Postal Code 100042  
Mainline: (86) 10 8760 9860  
Fax: (86) 10 8760 4530  
Email: emilywu@comfortdelgro.com

#### Vehicle Testing Services

##### Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd

No. 8 San Tai Shan Road, Jiu Gong,  
Da Xing District  
Beijing  
Postal Code 100076  
Mainline: (86) 10 8760 0856  
Fax: (86) 10 8760 2282  
Email: liuhx@comfortdelgro.com

## Jilin City, Jilin Province

### Taxi / Online Car Hailing Service

#### Jilin ComfortDelGro Taxi Co., Ltd

ShenZhen East Road Hi-tech  
Industrial Development Zone  
Jilin City, Jilin Province  
Postal Code 132013  
Mainline: (86) 432 6456 5609  
Fax: (86) 432 6456 5618  
Email: nixipeng@comfordelgro.com

## Shenyang, Liaoning Province

### Taxi

#### CityCab (Shenyang) Co., Ltd

No. 52 Wen Hua East Road  
Shenhe District  
Shenyang, Liaoning  
Postal Code 110015  
Mainline: (86) 24 2422 2265  
Fax: (86) 24 2482 3064  
Email: duanln@comfordelgro.com

#### Shenyang ComfortDelGro Taxi Co., Ltd

No. 52 Wen Hua East Road  
Shenhe District  
Shenyang, Liaoning  
Postal Code 110015  
Mainline: (86) 24 2420 7819  
Fax: (86) 24 2482 3064  
Email: duanln@comfordelgro.com

### WEST CHINA BUSINESS UNIT

## Chengdu, Sichuan Province

### Taxi

#### Chengdu ComfortDelGro Taxi Co., Ltd

No. 77 Chuan Jian Road  
Jinniu District  
Chengdu, Sichuan  
Postal Code 610081  
Mainline: (86) 28 8471 7858  
Fax: (86) 28 8471 5206 814  
Email: dennislilm@comfordelgro.com

#### Chengdu ComfortDelGro Sheng Duo Consulting Co., Ltd

No. 77 Chuan Jian Road  
Jinniu District  
Chengdu, Sichuan  
Postal Code 610081  
Mainline: (86) 28 8471 7858  
Fax: (86) 28 8471 5206 814  
Email: dennislilm@comfordelgro.com

### Car Rental & Leasing

#### ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd

No. 77 Chuan Jian Road  
Jinniu District  
Chengdu, Sichuan  
Postal Code 610081  
Mainline: (86) 28 8471 8859  
Fax: (86) 28 8471 7858  
Email: dennislilm@comfordelgro.com

### Driving Centre

#### Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd

Wen Jia Hong Nian Zi  
Qing Yang Zone  
Chengdu, Sichuan  
Postal Code 610091  
Mainline: (86) 28 8707 0700  
Email: dennislilm@comfordelgro.com

### EAST CHINA BUSINESS UNIT

## Shanghai

### Taxi

#### Shanghai City Qi Ai Taxi Services Co., Ltd

10F, No. 285, Lu Jia Bang Road  
Shanghai  
Postal Code 200011  
Mainline: (86) 21 6313 5248  
Fax: (86) 21 6313 1717  
Email: richardtang@comfordelgro.com

## Suzhou, Jiangsu Province

### Taxi

#### Suzhou Comfort Taxi Co., Ltd

Room A505, No. 199 Dong Xing Road  
Suzhou Industrial Park  
Postal Code 215000  
Mainline: (86) 512 6762 0203  
Fax: (86) 512 6588 3991  
Email: richardtang@comfordelgro.com

## Nanjing, Jiangsu Province

### Taxi

#### Nanjing ComfortDelGro Dajian Taxi Co., Ltd

38 Kazimen Street  
Yu Hua Tai District  
Nanjing, Jiangsu  
Postal Code 210012  
Mainline: (86) 25 5872 1710  
Fax: (86) 25 5872 1712  
Email: richardtang@comfordelgro.com

### Driving Centre

#### Nanjing ComfortDelGro Xixia Driver Training Co., Ltd

33 Jingtian Road, Xigang Sub-district  
Qixia District  
Nanjing, Jiangsu  
Postal Code 210033  
Mainline: (86) 25 8571 1368  
Email: richardtang@comfordelgro.com

### SOUTH CHINA BUSINESS UNIT

## Guangzhou, Guangdong Province

### Bus Station

#### Guangzhou Xin Tian Wei Transportation Development Co., Ltd

No. 633 Yan Ling Road  
Guangzhou, Guangdong  
Postal Code 510650  
Mainline: (86) 20 6683 5088  
Fax: (86) 20 6683 5008  
Website: www.tianhebus.com  
Email: marctay@comfordelgro.com

## Nanning, Guangxi Province

### Taxi

#### Nanning Comfort Transportation Co., Ltd

Room 202, 2nd Floor, Block A,  
Building 15, No.68 Ke Yuan Avenue,  
Nanning, Guangxi  
Postal Code 530007  
Mainline: (86) 771 581 6783  
Fax: (86) 771 339 3629  
Email: marctay@comfordelgro.com

## DIRECTORIES

## AUSTRALIA

## NEW SOUTH WALES

## Sydney

**Bus****ComfortDelGro Corporation Australia Pty Ltd**

29 Foundry Road  
Seven Hills  
NSW 2147  
Mainline: (61) 2 8889 7000  
Fax: (61) 2 8889 7009  
Website: [www.cdcbus.com.au](http://www.cdcbus.com.au)  
Email: [customer.service@cdcbus.com.au](mailto:customer.service@cdcbus.com.au)

**Forest Coach Lines Pty Ltd**

335 Mona Vale Road  
Terrey Hills, NSW 2084  
Mainline: (02) 9450 2277  
Email: [buses@forestcoachlines.com.au](mailto:buses@forestcoachlines.com.au)

**Coastal Liner Coaches**

157 Sparks Road Warnervale  
NSW 2259  
Mainline: (02) 4392 3050  
Fax: (02) 4393 2910  
Email: [accounts@coastalliner.com.au](mailto:accounts@coastalliner.com.au)

**Outdoor Advertising****Moove Media Australia Pty Ltd**

Suite 104, 15 Belvoir Street  
Surry Hills  
NSW 2010  
Mainline: (61) 2 9690 1144  
Fax: (61) 2 9310 5753  
Website: [www.moovemediaz.com](http://www.moovemediaz.com)  
Email: [advertising@moovemediaz.com.sg](mailto:advertising@moovemediaz.com.sg)

## Broken Hill

**Bus****Buslink Broken Hill**

563-565 Chapple Lane  
Broken Hill, NSW 2880  
Mainline: (08) 8087 3311  
Email: [info.brokenhill@buslink.com.au](mailto:info.brokenhill@buslink.com.au)

## Blue Mountains and Hunter Valley

**Bus****Blue Mountains Transit Pty Ltd**

25 Great Western Highway  
Valley Heights  
NSW 2777  
Mainline: (61) 2 4751 1077  
Fax: (61) 2 4751 5870  
Website: [www.cdcbus.com.au](http://www.cdcbus.com.au)  
Email: [bmtcustomerservice@cdcbus.com.au](mailto:bmtcustomerservice@cdcbus.com.au)

**ComfortDelGro Corporation Australia Pty Ltd**

Hunter Valley Buses  
Region 2  
6 Glenwood Drive  
Thornton  
NSW 2322  
Mainline: (61) 2 4935 7200  
Fax: (61) 2 4966 8200  
Website: [www.cdcbus.com.au/Hunter-Valley-Buses.html](http://www.cdcbus.com.au/Hunter-Valley-Buses.html)  
Email: [customer.service@cdcbus.com.au](mailto:customer.service@cdcbus.com.au)

**ComfortDelGro Corporation Australia Pty Ltd**

Hunter Valley Buses  
Region 4  
8 Aluminium Close  
Edgeworth  
NSW 2285  
Mainline: (61) 2 4958 2057  
Fax: (61) 2 4958 2388  
Website: [www.cdcbus.com.au/Hunter-Valley-Buses.html](http://www.cdcbus.com.au/Hunter-Valley-Buses.html)  
Email: [customer.service@cdcbus.com.au](mailto:customer.service@cdcbus.com.au)

## Queanbeyan

**Bus****Qcity Transit Transborder Express**

11 Bass Street  
Queanbeyan  
NSW 2620  
Mainline: (61) 2 6299 3722  
Fax: (61) 2 6299 3828  
Website: [www.qcitytransit.com.au](http://www.qcitytransit.com.au)  
Website: [www.transborder.com.au](http://www.transborder.com.au)  
Email: [capitalinfo@cdcbus.com.au](mailto:capitalinfo@cdcbus.com.au)

## VICTORIA

## Melbourne

**Bus****ComfortDelGro Corporation Australia Pty Ltd**

28 Prosperity Street, Truganina  
VIC, 3029, Australia.  
Mainline: (61) 3 9977 9999  
Website: [www.cdcvictoria.com.au](http://www.cdcvictoria.com.au)  
Email: [info@cdcvictoria.co.au](mailto:info@cdcvictoria.co.au)

**CDC Tullamarine Pty Ltd**

1-13 Louis Street  
Airport West  
Victoria Australia  
VIC 3042  
Mainline: (03) 9338 6466  
Fax: (03) 9338 6031  
Email: [cdctullamarine@cdcbus.com.au](mailto:cdctullamarine@cdcbus.com.au)

**Non-Emergency Patient Transportation****National Patient Transport Pty Ltd**

20-22 Hardner Road, Mount Waverley,  
VIC 3149  
Mainline: (61) 1300 628 728  
Fax: (61) 3 9544 9501  
Website: <https://www.nptgroup.com.au>  
Email: [admin@nptgroup.com.au](mailto:admin@nptgroup.com.au)

## Mildura

**Bus****Buslink Sunraysia**

8-10 Bathurst Court, Mildura  
VIC 3500  
Mainline: (03) 5023 0274  
Email: [info.sunraysia@buslink.com.au](mailto:info.sunraysia@buslink.com.au)

## WESTERN AUSTRALIA

## Perth

**Taxi****Swan Taxis Pty Ltd**

7 Harvey Street  
Victoria Park WA 6100  
Mainline: (61) 8 9422 2222  
Fax: (61) 8 9422 2224  
Website: [www.swantaxis.com.au](http://www.swantaxis.com.au)  
Email: [admin@swantaxis.com.au](mailto:admin@swantaxis.com.au)

**ComfortDelGro Swan Pty Ltd t/a CDS Fleet Management**

24 Rudloc Road  
Morley WA 6062  
Australia  
Mainline: (61) 8 9375 3331  
Email: [admin@cdfsfleetmanagement.com.au](mailto:admin@cdfsfleetmanagement.com.au)

**Bus****Purple Coaches (ComfortDelGro Swan Pty Ltd t/a Purple Coaches)**

24 Rudloc Road  
Morley WA 6062  
Australia  
Mainline: (61) 8 6102 6337  
Website: [www.purplecoaches.com.au](http://www.purplecoaches.com.au)  
Email: [email@purplecoaches.com.au](mailto:email@purplecoaches.com.au)

## NORTHERN TERRITORY

## Darwin

**Bus****Buslink Darwin**

113 Pruen Road  
Berrimah NT 0828  
Mainline: (08) 8944 2444  
Website: [www.buslink.com.au](http://www.buslink.com.au)  
Email: [info.darwin@buslink.com.au](mailto:info.darwin@buslink.com.au)

## Alice Springs

### Bus

#### Buslink Alice Springs

7 Kidman Street  
Alice Springs NT 0870  
Mainline: (08) 8952 5611  
Fax: (08) 8953 4458  
Website: [www.buslink.com.au](http://www.buslink.com.au)  
Email: [info.alicesprings@buslink.com.au](mailto:info.alicesprings@buslink.com.au)

## QUEENSLAND

### Sunshine Coast

### Bus

#### Buslink Sunshine Coast

11 Page Street  
Kunda Park, QLD 4556  
Mainline: (07) 5476 6622  
Fax: (07) 5476 6577  
Website: [www.buslink.com.au](http://www.buslink.com.au)  
Email: [info.sunshinecoast@buslink.com.au](mailto:info.sunshinecoast@buslink.com.au)

### Gladstone

### Bus

#### Buslink Gladstone

9 Lyons Street  
Gladstone, QLD 4680  
Mainline: (07) 4972 1670  
Fax: (07) 4972 5137  
Email: [info.gladstone@buslink.com.au](mailto:info.gladstone@buslink.com.au)  
Website: [www.buslink.com.au](http://www.buslink.com.au)

## UNITED KINGDOM

### ENGLAND

#### London

### Bus

#### Metroline Limited

ComfortDelGro House  
329 Edgware Road  
Cricklewood  
London NW2 6JP  
Mainline: (44) 20 8218 8888  
Fax: (44) 20 8218 8840  
Website: [www.metroline.co.uk](http://www.metroline.co.uk)  
Email: [info@metroline.co.uk](mailto:info@metroline.co.uk)

### Coach

#### Westbus Coach Services Ltd

Metroline Depot  
12 Rigby Lane  
Hayes UB3 1ET  
Mainline: (44) 20 8572 6348  
Fax: (44) 20 8570 2234  
Website: [www.westbus.co.uk](http://www.westbus.co.uk)  
Email: [reservations@westbus.co.uk](mailto:reservations@westbus.co.uk)

### Taxi Radio Circuit

#### Computer Cab plc

Advantage House, Unit 7-8  
Mitre Bridge Industrial Park  
Mitre Way  
London W10 6AU  
Mainline: (44) 20 7908 0271  
Fax: (44) 20 7908 0053  
Website: [www.comcablondon.com](http://www.comcablondon.com)  
Email: [info@comcab.co.uk](mailto:info@comcab.co.uk)

### Private Car Hire

#### Flightlink International Limited

104 Cannon Workshops  
Cannon Drive  
London E14 4AS  
Mainline: (44) 20 7537 4777  
Fax: (44) 20 7987 2117  
Website: [www.comfortexecutive.com](http://www.comfortexecutive.com)  
Email: [admin@flchauffeurs.com](mailto:admin@flchauffeurs.com)

### Liverpool

### Taxi Radio Circuit

#### Computer Cab (Liverpool) Limited

Abbey House  
5-7 Falkland Street  
Liverpool L3 8HB  
Mainline: (44) 151 298 2060  
Fax: (44) 151 298 2526  
Website: [www.comcab-liverpool.co.uk](http://www.comcab-liverpool.co.uk)  
Email: [admin@comcab-liverpool.co.uk](mailto:admin@comcab-liverpool.co.uk)

## SCOTLAND

### Glasgow

### Coach

#### Scottish Citylink Coaches Limited

Buchanan Bus Station  
Killermont Street  
Glasgow G2 3NW  
Mainline: (44) 141 352 4444  
Fax: (44) 141 332 4488  
Website: [www.citylink.co.uk](http://www.citylink.co.uk)  
Email: [info@citylink.co.uk](mailto:info@citylink.co.uk)

### Aberdeen

### Taxi Radio Circuit

#### Computer Cab (Aberdeen) Limited

Burnside Drive  
Dyce  
Aberdeen AB21 0HW  
Mainline: (44) 1224 35 35 35  
Fax: (44) 1224 722 727  
Website: [www.comcab-aberdeen.co.uk](http://www.comcab-aberdeen.co.uk)  
Email: [enquiries@comcab-aberdeen.co.uk](mailto:enquiries@comcab-aberdeen.co.uk)

## WALES

### Cardiff

### Coach

#### New Adventure Travel Ltd

Coaster Place, Cardiff  
CF10 4XZ  
Mainline: (44) 29 2044 2040  
Website: [www.natgroup.co.uk](http://www.natgroup.co.uk)  
Email: [Sales@natgroup.co.uk](mailto:Sales@natgroup.co.uk)

## IRELAND

### Galway

### Inter-City Express Coach

#### ComfortDelGro Irish Citylink Limited

17 Forster Street  
Galway  
Mainline: (353) 91 564164  
Website: [www.citylink.ie](http://www.citylink.ie)  
Email: [info@citylink.ie](mailto:info@citylink.ie)

## VIETNAM

### Ho Chi Minh City

### Taxi

#### Vietnam Taxi Co., Ltd

Tan Binh Industrial Park  
Lot IV-15B Road 4  
Tay Thanh Ward  
Tan Phu District  
Ho Chi Minh City  
Mainline: (84) 28 3815 5152  
Fax: (84) 28 3815 5158  
Website: [www.vinataxi.vn](http://www.vinataxi.vn)  
Email: [info@vinataxi.vn](mailto:info@vinataxi.vn)

## MALAYSIA

### Kuala Lumpur

### Auto Leasing

#### CityLimo Leasing (M) Sdn Bhd

No. 10 Jalan SS13/6  
Subang Jaya Industrial Estate  
47500 Subang Jaya  
Selangor Darul Ehsan  
Mainline: (60) 3 5638 1818  
Fax: (60) 3 5638 1881  
Website: [www.citylimo.com.my](http://www.citylimo.com.my)  
Email: [sales@citylimo.com.my](mailto:sales@citylimo.com.my)

### Inspection & Testing Services

#### Setsco Services (M) Sdn Bhd

31, Jalan Industri Mas 12  
Taman Mas, 47100 Puchong  
Selangor Darul Ehsan  
Mainline: (60) 3 8052 6822 / 8052 7822  
Fax: (60) 3 8052 5822  
Email: [marketing@setsco.com](mailto:marketing@setsco.com)

## FINANCIAL CALENDAR

### 2018

Announcement of 2017 Full Year Results	13 February 2018
Annual General Meeting	26 April 2018
Announcement of 1st Quarter 2018 Results	11 May 2018
Payment of 2017 final dividend (6.05 cents/share)	14 May 2018
Announcement of 2nd Quarter 2018 Results	10 August 2018
Payment of 2018 interim dividend (4.35 cents/share)	28 August 2018
Announcement of 3rd Quarter 2018 Results	9 November 2018

### 2019

Announcement of 2018 Full Year Results	13 February 2019
Annual General Meeting	26 April 2019
Announcement of 1st Quarter 2019 Results	14 May 2019*
Payment of 2018 final dividend (6.15 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	14 May 2019
Announcement of 2nd Quarter 2019 Results	13 August 2019*
Announcement of 3rd Quarter 2019 Results	13 November 2019*

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# DIRECTORS' STATEMENT

The Directors present their statement together with the audited Consolidated Financial Statements of the Group for the financial year ended 31 December 2018 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2018.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 103 to 188 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## 1. DIRECTORS

The Directors of the Company in office at the date of this statement are:

Lim Jit Poh	(Chairman)
Yang Ban Seng	(Managing Director/Group Chief Executive Officer)
Jessica Cheam	(Appointed on 1 January 2019)
Chiang Chie Foo	(Appointed on 1 May 2018)
Lee Khai Fatt, Kyle	
Ong Ah Heng	
Ooi Beng Chin	(Appointed on 1 May 2018)
Sum Wai Fun, Adeline	
Tham Ee Mern, Lilian	
Wang Kai Yuen	
Wong Chin Huat, David	

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraphs 3 and 4 of the Directors' Statement.



### 3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, except as follows:

	At 1 January 2018	At 31 December 2018	At 21 January 2019
<b>Interest in the Company</b>			
(a) Ordinary shares			
Lim Jit Poh	244,425	244,425	244,425
Yang Ban Seng	157,168	157,168	157,168
Yang Ban Seng (Deemed Interest)	18,185	18,185	18,185
Lee Khai Fatt, Kyle	100,000	100,000	100,000
Lee Khai Fatt, Kyle (Deemed Interest)	70,000	70,000	70,000
Ong Ah Heng	755,558	755,558	755,558
Sum Wai Fun, Adeline	240,000	240,000	240,000
Wang Kai Yuen	52,500	52,500	52,500
Wong Chin Huat, David	620,000	620,000	620,000
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	660,000	660,000	660,000
<b>Interest in subsidiary, SBS Transit Ltd</b>			
(a) Ordinary shares			
Wong Chin Huat, David	215,000	215,000	215,000
<b>Interest in subsidiary, VICOM Ltd</b>			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000

## DIRECTORS' STATEMENT

### 4. SHARE OPTIONS

#### (A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the CDG ESOS. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Wang Kai Yuen (Chairman), Lim Jit Poh, Ong Ah Heng, Ooi Beng Chin (appointed as a Member on 1 May 2018), Sum Wai Fun, Adeline (appointed as a Member on 1 January 2019) and Wong Chin Huat, David.
- (ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.
- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and lapsed during the financial year and options outstanding as at 31 December 2018 were as follows:

Date of grant	Number of options to subscribe for ordinary shares				Subscription price per share	Expiry date
	Outstanding at 1 January 2018	Exercised	Lapsed	Outstanding at 31 December 2018		
25 June 2008	960,000	(960,000)	–	–	\$1.590	24 June 2018
25 June 2009	195,000	(75,000)	–	120,000	\$1.273	24 June 2019
2 July 2010	995,000	(140,000)	–	855,000	\$1.467	1 July 2020
23 June 2011	1,005,000	(250,000)	(300,000)	455,000	\$1.373	22 June 2021
20 June 2012	3,019,000	(360,000)	(300,000)	2,359,000	\$1.475	19 June 2022
Total	6,174,000	(1,785,000)	(600,000)	3,789,000		

#### 4. SHARE OPTIONS (cont'd)

##### (A) Share options of the Company (cont'd)

- (iv) Details of the options granted to Directors since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme\*) up to 31 December 2018 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2018	Aggregate options exercised since the commencement to 31 December 2018	Aggregate options lapsed since the commencement to 31 December 2018	Aggregate options outstanding at 31 December 2018
Lim Jit Poh	2,773,577	2,273,577	500,000	–
Yang Ban Seng	3,561,315	2,901,315	–	660,000
Ong Ah Heng	1,517,540	1,167,540	350,000	–
Sum Wai Fun, Adeline	600,000	600,000	–	–
Wang Kai Yuen	1,998,672	1,873,672	125,000	–
Wong Chin Huat, David	1,200,000	850,000	350,000	–

- \* Following the merger of Comfort Group Ltd and DelGro Corporation Limited, the outstanding options under the Comfort Executives' Share Option Scheme, the 2000 Comfort Share Option Scheme and the DelGro Executives' Share Option Scheme (collectively, the "Pre-Merger Option Scheme"), were exchanged for options under the CDG ESOS based on the then option exchange ratios.

The terms of the options granted to the Directors are disclosed in paragraph 4(A)(ii).

- (v) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.
- (vi) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2018.

##### (B) Share options of subsidiaries

###### (a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 232,500 unissued shares of SBS Transit Ltd under option relating to the SBS Transit Share Option Scheme (the "SSOS"). The SSOS expired on 8 June 2010 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the SSOS and the respective grants. Details and terms of the share options and SSOS have been disclosed in the Directors' Statement of SBS Transit Ltd.
- (ii) There were no share options granted to Directors of the Company during the financial year. Details of the SSOS options since the commencement of the SSOS were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2018	Aggregate options exercised since the commencement to 31 December 2018	Aggregate options lapsed since the commencement to 31 December 2018	Aggregate options outstanding at 31 December 2018
Lim Jit Poh	780,000	480,000	300,000	–

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**DIRECTORS' STATEMENT****5. AUDIT AND RISK COMMITTEE**

At the date of this report, the Audit and Risk Committee comprises five non-executive and independent Directors as follows:

Sum Wai Fun, Adeline (Chairman)  
Chiang Chie Foo (Appointed as a Member on 1 May 2018)  
Lee Khai Fatt, Kyle  
Ong Ah Heng  
Tham Ee Mern, Lilian

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50 and the Code of Corporate Governance 2012.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors four times during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Deloitte & Touche LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

In addition, the Audit and Risk Committee reviewed the Financial Statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

The Audit and Risk Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche LLP for re-appointment as auditors of the Group at the forthcoming Annual General Meeting of the Company.

**6. AUDITORS**

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

**Lim Jit Poh**  
Chairman

**Yang Ban Seng**  
Managing Director/Group Chief Executive Officer

Singapore  
13 February 2019

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the Statement of Financial Position of the Group and the Company as at 31 December 2018, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement 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, as set out on pages 103 to 188.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the 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. The taxi vehicles, taxi licences and goodwill are disclosed in Notes 12, 13 and 14 to the Financial Statements.

Management exercises significant judgements in the assumptions on inputs used in the discounted cash flow forecasts to determine the recoverable amounts. The key assumptions used by Management are disclosed in Note 3 to the Financial Statements.

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 involved our valuation specialist and compared it to the weighted average cost of capital. We found Management's key assumptions to be reasonable.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED*****Valuation and completeness of provision for accident claims***

The valuation and completeness of provisions for settlement of accident claims involves estimation uncertainty (Note 3). 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 report in determining the provision for accident claims as disclosed in Note 19 to the Financial Statements.

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 evaluated the reasonableness of the provision estimated by Management. Based on our procedures, we found Management's key assumptions to be reasonable.

***Business combinations***

During the year, the Group acquired several subsidiaries for a total purchase consideration of \$427.6 million. Under SFRS(I) 3 *Business Combination*, the Group is required to assess and determine the fair values of the assets acquired and liabilities assumed, including any potential intangible assets. Any excess of the purchase consideration over the fair value of net assets acquired is recognised as goodwill. Significant management judgement is involved in the valuation of these assets and liabilities. Management has recorded a provisional goodwill of \$257.6 million arising from acquisitions (Note 38). The final goodwill arising from the above acquisitions is dependent on the completion of the valuation of the assets acquired and liabilities assumed (including any intangible assets). Adjustments to the provisional amount maybe required upon finalisation of the valuation of net assets.

We have discussed and reviewed Management's assessment of the acquisitions which was accounted for as business combinations. Our procedures included reading the key terms of the purchase agreements to obtain an understanding of the transactions. We assessed Management's identification and fair value measurement of the identifiable assets and liabilities and the calculation of the provisional goodwill. There is a twelve month period to finalise the purchase price allocation, accordingly we noted that Management's assessment is provisional at this time.

**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 SFRS(I)s, 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.

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED****Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- 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. Cheung Pui Yuen.

**DELOITTE & TOUCHE LLP**

Public Accountants and  
Chartered Accountants  
Singapore

13 February 2019



# STATEMENTS OF FINANCIAL POSITION

**31 DECEMBER 2018**

	Note	The Group			The Company		
		31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
<b>ASSETS</b>							
<b>Current assets</b>							
Short-term deposits and bank balances	4	586.1	596.2	779.3	159.9	129.7	309.6
Investments	10	–	10.4	–	–	5.2	–
Trade receivables	5	275.4	250.6	237.4	–	–	–
Other receivables and prepayments	6	277.0	195.2	152.7	32.3	5.5	5.4
Inventories	7	138.7	113.6	81.7	–	–	–
<b>Total current assets</b>		<b>1,277.2</b>	<b>1,166.0</b>	<b>1,251.1</b>	<b>192.2</b>	<b>140.4</b>	<b>315.0</b>
<b>Non-current assets</b>							
Subsidiaries	8	–	–	–	1,230.7	1,314.5	1,121.5
Associates	9	0.9	9.0	11.2	–	0.3	0.3
Investments	10	29.6	28.7	62.9	19.0	18.3	41.7
Other receivables and prepayments	6	6.2	6.7	3.0	338.1	19.8	19.9
Grant receivables	11	212.8	231.2	237.6	–	–	–
Vehicles, premises and equipment	12	2,691.3	2,722.6	2,814.8	5.1	6.9	8.0
Taxi licences	13	218.9	211.9	217.7	–	–	–
Goodwill	14	677.5	428.3	427.5	–	–	–
Deferred tax assets	15	22.3	23.3	23.6	–	–	–
<b>Total non-current assets</b>		<b>3,859.5</b>	<b>3,661.7</b>	<b>3,798.3</b>	<b>1,592.9</b>	<b>1,359.8</b>	<b>1,191.4</b>
<b>Total assets</b>		<b>5,136.7</b>	<b>4,827.7</b>	<b>5,049.4</b>	<b>1,785.1</b>	<b>1,500.2</b>	<b>1,506.4</b>

See accompanying notes to the Financial Statements.

# STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2018

	Note	The Group			The Company		
		31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
<b>LIABILITIES AND EQUITY</b>							
<b>Current liabilities</b>							
Borrowings	16	90.4	114.2	169.3	5.8	–	–
Trade and other payables	17	691.0	677.3	717.5	169.0	253.0	472.1
Deferred grants	18	91.4	19.1	17.9	–	–	–
Fuel price equalisation account		20.0	20.0	20.0	–	–	–
Insurance premiums payable and provision for accident claims	19	52.0	62.2	65.8	–	–	–
Income tax payable		64.5	52.2	48.5	0.3	2.8	2.6
<b>Total current liabilities</b>		<b>1,009.3</b>	<b>945.0</b>	<b>1,039.0</b>	<b>175.1</b>	<b>255.8</b>	<b>474.7</b>
<b>Non-current liabilities</b>							
Borrowings	16	479.5	208.1	175.8	338.0	–	–
Deferred grants	18	271.1	282.4	279.6	–	–	–
Other liabilities	20	80.3	75.9	90.7	0.1	0.1	0.1
Fuel price equalisation account		20.0	20.0	20.0	–	–	–
Deferred tax liabilities	15	249.4	258.5	252.2	1.3	1.3	2.3
<b>Total non-current liabilities</b>		<b>1,100.3</b>	<b>844.9</b>	<b>818.3</b>	<b>339.4</b>	<b>1.4</b>	<b>2.4</b>
<b>Total liabilities</b>		<b>2,109.6</b>	<b>1,789.9</b>	<b>1,857.3</b>	<b>514.5</b>	<b>257.2</b>	<b>477.1</b>
<b>Capital, reserves and non-controlling interests</b>							
Share capital	21	691.1	688.2	676.9	691.1	688.2	676.9
Other reserves	22	80.9	84.2	23.4	(32.0)	(32.4)	(13.3)
Foreign currency translation reserve		(81.5)	(3.1)	–	–	–	–
Accumulated profits		1,923.1	1,848.9	1,775.2	611.5	587.2	365.7
Equity attributable to shareholders of the Company		2,613.6	2,618.2	2,475.5	1,270.6	1,243.0	1,029.3
Non-controlling interests		413.5	419.6	716.6	–	–	–
<b>Total equity</b>		<b>3,027.1</b>	<b>3,037.8</b>	<b>3,192.1</b>	<b>1,270.6</b>	<b>1,243.0</b>	<b>1,029.3</b>
<b>Total liabilities and equity</b>		<b>5,136.7</b>	<b>4,827.7</b>	<b>5,049.4</b>	<b>1,785.1</b>	<b>1,500.2</b>	<b>1,506.4</b>

The Group has adopted SFRS(I)s on 1 January 2018 and applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017 (see Note 39).

See accompanying notes to the Financial Statements.

# GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'mil	2017 \$'mil
<b>Revenue</b>	23	3,805.2	3,576.4
Staff costs	24	(1,656.1)	(1,495.2)
Depreciation and amortisation		(394.3)	(408.8)
Fuel and electricity costs		(295.5)	(236.8)
Repairs and maintenance costs		(286.9)	(266.2)
Contract services		(168.3)	(158.5)
Materials and consumables costs		(131.6)	(144.1)
Premises costs		(103.3)	(95.9)
Road tax		(100.6)	(118.1)
Insurance premiums and accident claims		(96.9)	(116.0)
Advertising production and promotion costs		(23.5)	(21.6)
Utilities and communication costs		(20.9)	(18.8)
Vehicle leasing charges		(6.7)	(11.5)
Other operating costs		(81.8)	(75.7)
<b>Total Operating Costs</b>		<b>(3,366.4)</b>	<b>(3,167.2)</b>
<b>Operating Profit</b>		<b>438.8</b>	<b>409.2</b>
Net Income from Investments		11.8	22.4
Finance Costs	25	(11.4)	(10.8)
Share of Profit in Associate	9	0.1	4.6
<b>Profit before Taxation</b>		<b>439.3</b>	<b>425.4</b>
Taxation	26	(80.5)	(76.5)
<b>Profit after Taxation</b>	27	<b>358.8</b>	<b>348.9</b>
Attributable to:			
Shareholders of the Company		303.3	301.5
Non-Controlling Interests		55.5	47.4
		<b>358.8</b>	<b>348.9</b>
Earnings per share (in cents):			
Basic	28	14.01	13.95
Diluted	28	14.00	13.94

The Group has adopted SFRS(I) 15 *Revenue from Contracts with Customers* with effect from 1 January 2018. Certain comparative figures have been reclassified to conform to current year's presentation (see Note 39).

See accompanying notes to the Financial Statements.

# GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'mil	2017 \$'mil
<b>Profit after Taxation</b>	27	358.8	348.9
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		(2.7)	10.3
Fair value adjustment on bonds		(0.2)	(0.2)
Exchange differences on translation of foreign operations		(83.2)	(6.2)
		(86.1)	3.9
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		(5.4)	5.0
Fair value adjustment on equity investments		1.2	(21.9)
		(4.2)	(16.9)
<b>Other comprehensive income for the year</b>		(90.3)	(13.0)
<b>Total comprehensive income for the year</b>		268.5	335.9
<b>Attributable to:</b>			
Shareholders of the Company		218.2	291.1
Non-Controlling Interests		50.3	44.8
		268.5	335.9

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	The Group						
	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total		
\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	
<b>Balance at 1 January 2017</b>							
<b>(as previously reported)</b>	<b>676.9</b>	<b>23.4</b>	<b>(125.5)</b>	<b>1,900.7</b>	<b>2,475.5</b>	<b>716.6</b>	<b>3,192.1</b>
Reclassification on adoption of SFRS(I) 1*	–	–	125.5	(125.5)	–	–	–
<b>Balance at 1 January 2017</b>	<b>676.9</b>	<b>23.4</b>	<b>–</b>	<b>1,775.2</b>	<b>2,475.5</b>	<b>716.6</b>	<b>3,192.1</b>
<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)
Total	–	(7.3)	(3.1)	301.5	291.1	44.8	335.9
<b>Transactions recognised directly in equity</b>							
Adjustment arising from acquisition of interests in subsidiaries	–	66.8	–	–	66.8	(284.8)	(218.0)
Exercise of share options (Notes 21 and 22)	11.3	(0.9)	–	–	10.4	–	10.4
Payment of dividends (Note 33)	–	–	–	(224.9)	(224.9)	–	(224.9)
Other reserves	–	2.2	–	(2.9)	(0.7)	(57.0)	(57.7)
Total	11.3	68.1	–	(227.8)	(148.4)	(341.8)	(490.2)
<b>Balance at 31 December 2017</b>	<b>688.2</b>	<b>84.2</b>	<b>(3.1)</b>	<b>1,848.9</b>	<b>2,618.2</b>	<b>419.6</b>	<b>3,037.8</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	303.3	303.3	55.5	358.8
Other comprehensive income for the year	–	(6.7)	(78.4)	–	(85.1)	(5.2)	(90.3)
Total	–	(6.7)	(78.4)	303.3	218.2	50.3	268.5
<b>Transactions recognised directly in equity</b>							
Adjustment arising from acquisition of interests in subsidiaries	–	0.3	–	–	0.3	(2.2)	(1.9)
Exercise of share options (Notes 21 and 22)	2.9	(0.3)	–	–	2.6	–	2.6
Payment of dividends (Note 33)	–	–	–	(225.1)	(225.1)	–	(225.1)
Other reserves	–	3.4	–	(4.0)	(0.6)	(54.2)	(54.8)
Total	2.9	3.4	–	(229.1)	(222.8)	(56.4)	(279.2)
<b>Balance at 31 December 2018</b>	<b>691.1</b>	<b>80.9</b>	<b>(81.5)</b>	<b>1,923.1</b>	<b>2,613.6</b>	<b>413.5</b>	<b>3,027.1</b>

\* The Group has adopted SFRS(I)s on 1 January 2018 and applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017 (see Note 39).

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	The Company			Total equity \$'mil
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	
<b>Balance at 1 January 2017</b>	<b>676.9</b>	<b>(13.3)</b>	<b>365.7</b>	<b>1,029.3</b>
<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)
Total	–	(18.2)	446.4	428.2
<b>Transactions recognised directly in equity</b>				
Exercise of share options (Notes 21 and 22)	11.3	(0.9)	–	10.4
Payment of dividends (Note 33)	–	–	(224.9)	(224.9)
Total	11.3	(0.9)	(224.9)	(214.5)
<b>Balance at 31 December 2017</b>	<b>688.2</b>	<b>(32.4)</b>	<b>587.2</b>	<b>1,243.0</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	–	–	249.4	249.4
Other comprehensive income for the year	–	0.7	–	0.7
Total	–	0.7	249.4	250.1
<b>Transactions recognised directly in equity</b>				
Exercise of share options (Notes 21 and 22)	2.9	(0.3)	–	2.6
Payment of dividends (Note 33)	–	–	(225.1)	(225.1)
Total	2.9	(0.3)	(225.1)	(222.5)
<b>Balance at 31 December 2018</b>	<b>691.1</b>	<b>(32.0)</b>	<b>611.5</b>	<b>1,270.6</b>

See accompanying notes to the Financial Statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2018

	2018 \$'mil	2017 \$'mil
<b>Operating activities</b>		
Profit before Taxation	439.3	425.4
Adjustments for:		
Depreciation and amortisation	394.3	408.8
Finance costs	11.4	10.8
Interest income	(10.8)	(9.9)
Dividend income	(1.0)	(12.5)
Grant income	(34.9)	(35.8)
Net gain on disposal of vehicles, premises and equipment	(15.9)	(5.2)
Provision for relocation costs	7.1	–
Insurance premiums payable and provision for accident claims	14.8	17.7
Share of profit in associate	(0.1)	(4.6)
Others	1.7	4.8
Operating cash flows before movements in working capital	805.9	799.5
Inventories	(23.9)	(31.9)
Trade receivables	(5.5)	(14.2)
Other receivables and prepayments	(0.4)	(44.8)
Grant receivables, net of deferred grants	2.2	(0.7)
Trade and other payables	(5.0)	(16.5)
Other liabilities	4.6	(14.1)
Payment of service benefits and long service awards	(1.8)	(1.9)
Payment of insurance premiums and accident claims	(25.2)	(21.5)
Cash generated from operations	750.9	653.9
Income tax paid	(82.1)	(72.0)
Net cash from operating activities	668.8	581.9

See accompanying notes to the Financial Statements.

# GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2018

	2018 \$'mil	2017 \$'mil
<b>Investing activities</b>		
Purchases of vehicles, premises and equipment	(352.8)	(393.6)
Less: Vehicles purchased under finance lease arrangements	27.8	28.2
Less: Proceeds from disposal of vehicles, premises and equipment	98.9	81.8
Cash payments on purchase of vehicles, premises and equipment	(226.1)	(283.6)
Maturity of investments	10.4	–
Payment for taxi licences	(15.4)	–
Acquisition of subsidiaries, net of cash (Note 38)	(418.8)	–
Interest received	11.0	10.4
Dividend received from an associate	–	6.8
Dividend received from investments	1.0	12.5
Net cash used in investing activities	(637.9)	(253.9)
<b>Financing activities</b>		
Acquisition of non-controlling interests in subsidiaries	(1.9)	(218.0)
New loans raised	1,283.0	1,012.9
Repayment of borrowings	(1,067.5)	(1,064.4)
Dividends paid to shareholders of the Company	(225.1)	(224.9)
Dividends paid to non-controlling shareholders of subsidiaries	(54.6)	(58.4)
Proceeds from exercise of share options of the Company	2.6	10.4
Proceeds from exercise of share options of a subsidiary	1.3	1.8
Grants received	44.2	44.9
Interest paid	(11.0)	(11.4)
Proceeds from unclaimed dividends	–	0.1
Net cash used in financing activities	(29.0)	(507.0)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	(12.0)	(4.1)
Net decrease in cash and cash equivalents	(10.1)	(183.1)
Cash and cash equivalents at beginning of year	596.2	779.3
<b>Cash and cash equivalents at end of year (Note 4)</b>	586.1	596.2

See accompanying notes to the Financial Statements.



# NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

## 1. GENERAL

The Company (Registration No. 200300002K) is incorporated in the Republic of Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries and associates are described in Note 36.

The Financial Statements are expressed in Singapore dollars and all values are expressed in million (\$'mil) except when otherwise indicated.

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2018 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2018 were authorised for issue by the Board of Directors on 13 February 2019.

For all periods up to and including the year ended 31 December 2017, the Financial Statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These Financial Statements for the year ended 31 December 2018 are the first set that the Group and the Company have prepared in accordance with SFRS(I). Details of first-time adoption of SFRS(I) are included in Note 39.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF ACCOUNTING** – The Financial Statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and SFRS(I)s.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

**NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED** – At the date of authorisation of these Financial Statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application:

SFRS(I) 16	–	<i>Leases</i> <sup>1</sup>
SFRS(I) INT 23	–	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>

<sup>1</sup> Applies to annual periods beginning on or after 1 January 2019.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****SFRS(I) 16 Leases**

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

SFRS(I) 1-17 does not require the recognition of any right-of-use asset or liability for future payments for the operating leases the Group enters into. Under SFRS(I) 16, the Group may be required to recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. Additional disclosures may also be made with respect to leases, including any significant judgement and estimation made in distinguishing between leases and service contracts, on the basis of whether an identified asset controlled by the customer exists.

Management has performed an analysis of the requirements of the initial application of SFRS(I) 16 and expects the adoption of SFRS(I) 16 will result in certain operating lease arrangements being recorded in the Statements of Financial Position.

**SFRS(I) INT 23 Uncertainty over Income Tax Treatments**

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a Group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

Management will adopt the above Interpretation when it becomes effective.

**BASIS OF CONSOLIDATION** – The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group Income Statement and Group Comprehensive Income Statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with those consistently used by the Group.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Statement of Financial Position of the Company, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

**BUSINESS COMBINATIONS** – The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group to the former owners of the acquiree in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date except for deferred tax assets or liabilities which are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes*. Acquisition-related costs are recognised in Profit or Loss as incurred.

The interest of the non-controlling shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

**FINANCIAL INSTRUMENTS** – Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss are recognised immediately in Profit or Loss.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through Profit or Loss (FVTPL).

***Amortised cost and effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

***Debt instruments classified as a FVTOCI***

Investments in debt instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, any gains or losses on such a financial asset are recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised. When the financial asset is derecognised the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to Profit or Loss for the period.

Interest income is recognised in Profit or Loss and is included in the "Net Income from Investments" line item in Profit or Loss.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### ***Equity instruments designated at FVTOCI***

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation at FVTOCI is not permitted if the equity instrument is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value including any foreign exchange difference are recognised in Other Comprehensive Income. Such equity investments are not subject to impairment requirements. The amounts recognised in Other Comprehensive Income are not subsequently reclassified to Profit or Loss on disposal of the equity instruments.

Dividends on these investments in equity instruments are recognised in Profit or Loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Net Income from Investments" line item in Profit or Loss.

### ***Impairment of financial assets***

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the simplified approach permitted by SFRS(I) 9 for trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date.

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include taking into consideration observable data about the significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Where receivables have been written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is reclassified to Profit or Loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is not reclassified to Profit or Loss, but is transferred to Retained Earnings.

**Financial liabilities and equity instruments****Classification as debt or equity**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Borrowings**

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in Profit or Loss over the term of the borrowings.

**Trade and other payables**

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

**Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

**Hedging instruments and hedge accounting**

The Group uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 32).

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Profit or Loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in Profit or Loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Hedging instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of hedging instrument is classified as a non-current asset or a non-current liability if the maturity of the hedge relationship exceeds 12 months and as a current asset or current liability if the maturity of the hedge relationship is within 12 months.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objective and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. Hedges of both foreign currency risk and fuel price risk for future purchases of goods are designated as cash flow hedges.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Note 32(c) contains details of the fair values of the hedging instruments.

### ***Fair value hedge***

Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in Profit or Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

### ***Cash flow hedge***

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts recognised in Other Comprehensive Income are taken to Profit or Loss when the hedged item is realised.

**LEASES** – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### **The Group as lessor**

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to Profit or Loss.

Rentals payable under operating leases (net of any incentive received from lessor) are charged to Profit or Loss on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

**INVENTORIES** – Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average and first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

**VEHICLES, PREMISES AND EQUIPMENT** – Vehicles, premises and equipment are stated at cost, less accumulated depreciation and any provision for impairment.

Capital projects in progress comprising development and construction costs incurred during the period of construction are carried at cost, less any recognised provision for impairment. Depreciation on these assets, on the same basis as other vehicles, premises and equipment, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of the assets, other than freehold land and capital projects in progress, over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Number of years</u>
Buses	12 to 25
Leasehold land and buildings	Over the remaining lease period
Freehold buildings	50
Taxis and motor vehicles for rental	5 to 8
Computers and automated equipment	3 to 5
Workshop machinery, tools and equipment	
– General workshop machinery, tools and equipment	3 to 10
– Specialised inspection and testing equipment	20
Motor vehicles	
– Motorcycles	3
– Other motor vehicles	5 to 10
Furniture, fittings and equipment	5 to 7

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

On disposal of an item of vehicles, premises and equipment, the difference between the sales proceeds and its carrying amount is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment still in use are retained in the Financial Statements.

Assets held under finance lease arrangements are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessees will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**ASSOCIATES** – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the Profit or Loss and Other Comprehensive Income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in Profit or Loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

### INTANGIBLE ASSETS

#### Intangible assets acquired separately

Taxi licences acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Taxi licences with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

#### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

**GOODWILL** – Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognised immediately in Profit or Loss.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the provision for impairment is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. A provision for impairment recognised for goodwill is not reversed in a subsequent period.

On divestment of a subsidiary, the attributable amount of goodwill is included in the determination of the Profit or Loss on divestment.

**IMPAIRMENT OF NON-FINANCIAL ASSETS EXCLUDING GOODWILL** – At the end of each reporting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. A provision for impairment is recognised immediately in Profit or Loss.

Where provision for impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of provision for impairment is recognised immediately in Profit or Loss.

**FUEL PRICE EQUALISATION ACCOUNT** – At the direction of the Public Transport Council ("PTC"), a fuel price equalisation account ("FPEA") has been set up to account for diesel price and electricity tariff adjustment charge for the purpose of mitigating the effects of any increase in fuel price and electricity tariff.

Annual contributions to the FPEA may be required as determined by the PTC, based on the reference electricity tariff and diesel price for the year.

Applications can be made to the PTC to seek approval for a draw down as may be catered for by the purpose of the FPEA mechanism, provided that the amount drawn does not exceed half of the available FPEA balance.

**PROVISION FOR ACCIDENT CLAIMS** – Claims for accident, public liability and others are provided in the Financial Statements based on the claims outstanding and the estimated amounts payable.

**PROVISIONS** – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**DEFERRED INCOME** – Deferred income comprises of:

- (i) The deferred grants relating to the net present value of the grant income from the transport regulators in Australia for the acquisition of new buses that is amortised to Profit or Loss over the useful lives of the assets.
- (ii) Advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

**SERVICE BENEFITS** – These comprise the following:

- (i) **Retirement benefits** – Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, a retirement benefit subject to a maximum of \$3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service.

Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.

- (ii) **Long Service Awards** – Staff of certain subsidiaries in Singapore serving more than 5 years and up to 35 years are entitled to long service awards. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at the end of each reporting year.

- (iii) **Defined Benefit Retirement Plans** – The Group operates two defined benefit pension schemes ("Pension Schemes") for employees of one of its foreign subsidiaries, the assets of which are held in trustee administered funds.

The Pension Schemes were closed to future accruals in 2007 and employees were transferred to a defined contribution pension scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting year. Actuarial gains and losses arising over the financial year are recognised immediately in Other Comprehensive Income and accumulated in equity under retirement benefit reserve and are reflected in the Statement of Financial Position as a pension asset or liability as appropriate. The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation net of fair value of plan assets.

- (iv) Apart from the Pension Schemes above, the Group makes contribution to pension schemes as defined by the laws of the countries in which it has operations. In particular, Singapore Companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

- (v) **Employee Leave Entitlement** – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting year.

- (vi) **Share-Based Payments** – The Group and the Company issued share options to certain employees and Directors. Share options are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share options is expensed on a straight-line basis over the vesting period with a corresponding adjustment against share option reserve, based on the Group's and the Company's estimate of the number of equity instruments that will eventually vest.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**GOVERNMENT GRANTS** – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statement of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants in relation to expenses incurred are recognised as other operating income in the period which they become receivable.

**REVENUE RECOGNITION** – The Group recognises revenue from the following major sources:

- Public transport services
- Taxi
- Automotive engineering services
- Inspection and testing services
- Others

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer or when services are rendered.

**Public transport services**

Revenue from public transport services comes from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operations of scheduled services and provision of coach rental services. Revenue from transport regulators for scheduled bus services is recognised as and when services are rendered, including an estimation of the expected consideration on achieving certain performance targets.

Revenue from other third parties for scheduled services, coach rental services and rail services is recognised as and when services are rendered.

Revenue from other commercial services comprises advertising and rental income. Advertising production revenue is recognised when production is completed and advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Rental income is recognised on a straight-line basis over the term of the relevant lease.

**Taxi**

The Group provides taxi rental and other related services such as subscription and cashless payment to third parties. Revenue is recognised as and when services are rendered.

**Automotive engineering services**

The Group provides repair and maintenance services to taxi, buses and third parties. Revenue is recognised as and when services are rendered.

For sales of goods such as spare parts, diesel and petrol to third parties, revenue is recognised when control of the goods has been transferred to the customer, at the point where goods are delivered to the customer.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Inspection and testing services

The Group provides vehicle inspection services and other testing services. Revenue from vehicle inspection services is recognised upon completion of the inspection services.

Revenue from testing services for aerospace, marine and offshore, biotechnology, oil and petrochemical, building construction and electronics manufacturing industries is recognised upon completion of the final test report.

### Others

Others include car rental and leasing, driver training and bus station operation.

Car rental and leasing and driver training revenue are recognised upon completion of the services.

Bus station operation revenue is recognised as and when services are rendered.

**BORROWING COSTS** – Borrowing costs incurred to finance the purchase of assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

**INCOME TAX** – Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, provision for fuel equalisation and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in Profit or Loss, except when they relate to items credited or debited outside Profit or Loss (either in Other Comprehensive Income or directly in equity), in which case the tax is also recognised outside Profit or Loss (either in Other Comprehensive Income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** – The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting year, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in Profit or Loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Profit or Loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (please see above for details of the Group's accounting policies in respect of such hedging instruments).

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulate in the Group's currency translation reserve. Such translation differences are recognised in Profit or Loss in the period in which the foreign operation is disposed of.

The Group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. As a result, the cumulative foreign currency translation loss was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in Other Comprehensive Income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of a foreign operation and translated at the closing rate.

**CASH AND CASH EQUIVALENTS IN THE GROUP CASH FLOW STATEMENT** – Cash and cash equivalents in the Group Cash Flow Statement comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the Financial Statements (apart from those involving estimations, which are dealt with below).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### Provisions

##### (i) Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment trends are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. The provision for accident claims included in Note 19 is \$52.0 million (31 December 2017 : \$59.0 million, 1 January 2017 : \$59.2 million).

##### (ii) Insurance premium payable

With effect from 2008, the Group has undertaken property damage and personal injury insurance with a fixed annual premium per vehicle. However, the Group had in the previous financial years incurred additional premiums payable as the insurance claims per vehicle had exceeded the minimum amount as stipulated in the insurance policy for those years. All premiums relating to the period before 2008 have been paid as at 31 December 2018 (31 December 2017 : \$3.2 million accrued for period 2006-2008, 1 January 2017 : \$6.6 million accrued for period 2006-2008) and Management has assessed that no further accrual is necessary (Note 19).

##### (iii) Retirement benefits and long service awards

For certain subsidiaries, retirement benefits subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the retirement age and on completion of at least five years of service. Provision for retirement benefits is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting year and after taking into account an estimated attrition rate. The estimated attrition rate used is based on Management's best estimate of the respective subsidiaries' attrition rate, based on past experience.

Provision for long service awards is made based on the number of years of service rendered by qualifying employees of these subsidiaries and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting year.

The total provision for service benefits and long service awards is disclosed in Note 20(b).

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting year. At 31 December 2018, the retirement benefit obligation recognised in the Group's Statement of Financial Position amounted to \$0.2 million (31 December 2017 : retirement benefit assets amounted to \$3.2 million; 1 January 2017 : retirement benefit obligations amounted to \$5.7 million) disclosed in Note 20(c) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets and vice versa.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)****Impairment review of taxi vehicles, taxi licences and goodwill**

The Group tests goodwill and taxi licences annually for impairment, or more frequently if there are indications that they might be impaired. Impairment assessment is also performed for taxi vehicles and taxi licences with definite useful lives when there is an impairment indication.

Determining whether taxi vehicles, taxi licences and goodwill are impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which taxi vehicles, taxi licences and goodwill have been allocated (Notes 12, 13 and 14). The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. A provision for impairment loss on taxi vehicles, taxi licences and goodwill is recognised in Profit or Loss and can be reversed in the subsequent period except for goodwill when the amount of impairment loss decreases.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to profit margins during the period.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows based on estimated growth rate. The estimated growth rate does not exceed the average long-term growth rate for the relevant markets and countries in which the CGU operates.

The discount rates applied to the forecast for the Group are based on current market assessment of the time value of money and risks specific to the business segment.

For the public transport services businesses in Australia and United Kingdom, discount rates of 6.9% (2017 : 6.9%) and 5.8% (2017 : 5.7%), and growth rates of 2.8% (2017 : 2.9%) and 1.5% (2017 : 1.5%) are applied to the forecasts respectively.

For the taxi businesses in China and Singapore, discount rates of 8.8% (2017 : 7.9%) and 8.5% (2017 : 7.5%), and growth rates of nil% to 2.0% (2017 : 2.8%) and nil% (2017 : nil%) are applied to the forecasts respectively.

The expected changes to profit margins are based on past performance and Management's expectation of market development.

**Useful lives of vehicles, premises and equipment**

As described in Note 2, the Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting year. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

**Goodwill arising from on acquisition of businesses**

Goodwill arising from acquisition of subsidiaries during the year was determined using a provisional purchase price allocation exercise to determine the fair value of the acquired assets and liabilities. Management exercised significant judgement in determining the fair value of the acquired assets and liabilities including any intangibles. The final goodwill arising from the acquisitions will be dependent on the completion of the valuation of the acquired assets and liabilities which include vehicles and buildings.



#### 4. SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Cash and bank balances	14.5	15.5	18.1	–	–	–
Interest bearing						
bank balances	140.2	98.0	118.6	1.1	1.1	0.5
Fixed deposits	431.4	482.7	642.6	158.8	128.6	309.1
<b>Total</b>	<b>586.1</b>	<b>596.2</b>	<b>779.3</b>	<b>159.9</b>	<b>129.7</b>	<b>309.6</b>

Interest bearing bank balances bear effective interest rates ranging from 0% to 1.3% (2017 : 0% to 1.3%) per annum.

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.2% to 6.8% (2017 : 0.2% to 6.5%) per annum. These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### 5. TRADE RECEIVABLES

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Outside parties	279.6	255.0	240.8
Allowance for expected credit losses	(4.2)	(4.4)	(3.4)
<b>Net</b>	<b>275.4</b>	<b>250.6</b>	<b>237.4</b>

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2017 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

The expected risks of default on trade receivables at the reporting date are insignificant as majority of receivables are from the transport regulators and insurance companies. The receivables that are past due at the reporting date for which the Group has not provided for are insignificant. The Group does not hold any collateral over these balances.

An allowance has been made for estimated irrecoverable amounts which has been determined by reference to past default experience and expected credit losses. The expected credit losses incorporate forward looking estimates, where relevant. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjust for forward-looking macroeconomic data, where relevant.

Movements in allowance for expected credit losses:

	The Group	
	2018 \$'mil	2017 \$'mil
Balance at beginning of the year	4.4	3.4
Amounts written off during the year	(0.8)	(0.6)
Increase in allowance recognised in Profit or Loss	0.6	1.6
<b>Balance at end of the year</b>	<b>4.2</b>	<b>4.4</b>

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****6. OTHER RECEIVABLES AND PREPAYMENTS**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Prepayments	62.0	69.4	72.3	0.4	0.3	0.4
Downpayments for the purchase of vehicles, premises and equipments	6.0	3.3	2.6	–	–	–
Interest receivable	3.1	3.4	3.9	0.2	0.1	0.3
Security and tender deposits	1.6	2.0	1.6	–	–	–
Grant receivables (Note 11)	99.1	28.7	26.5	–	–	–
Retirement benefits assets (Note 20(c))	–	3.2	–	–	–	–
Due from subsidiaries	–	–	–	369.0	23.5	22.7
Others	111.4	91.9	48.8	0.8	1.4	1.9
<b>Total</b>	<b>283.2</b>	<b>201.9</b>	<b>155.7</b>	<b>370.4</b>	<b>25.3</b>	<b>25.3</b>
Analysed as:						
Current	277.0	195.2	152.7	32.3	5.5	5.4
Non-current	6.2	6.7	3.0	338.1	19.8	19.9
<b>Total</b>	<b>283.2</b>	<b>201.9</b>	<b>155.7</b>	<b>370.4</b>	<b>25.3</b>	<b>25.3</b>

Majority of the other receivables are due from transport regulators and government authorities where Management has assessed the credit risk to be low.

Included in the amount of \$369.0 million (31 December 2017 : \$23.5 million, 1 January 2017 : \$22.7 million) due from subsidiaries, \$366.0 million (31 December 2017 : \$19.7 million, 1 January 2017 : \$19.8 million) relates to loans which bear variable interest rates ranging from 1.83% to 2.34% (2017 : 3.28%) per annum and are unsecured. The remaining balance of \$3.0 million (31 December 2017 : \$3.8 million, 1 January 2017 : \$2.9 million) is unsecured and interest-free.

**7. INVENTORIES**

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Goods held for sale	9.8	9.7	11.7
Consumables, materials and supplies	127.4	102.5	68.2
Work in progress	1.5	1.4	1.8
<b>Total</b>	<b>138.7</b>	<b>113.6</b>	<b>81.7</b>

## 8. SUBSIDIARIES

	The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Quoted equity shares, at cost	93.6	93.6	93.6
Unquoted equity shares, at cost	1,137.1	1,220.9	1,027.9
	1,230.7	1,314.5	1,121.5
Market value of quoted equity shares	983.4	923.9	830.3

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries		
		31 December 2018	31 December 2017	1 January 2017
Investment holding	Singapore	5	4	4
Investment holding	United Kingdom	2	2	2
Investment holding	Malaysia	–	1	1
Investment holding	Australia	9	3*	–
Bus	Singapore	1	1	1
Bus	United Kingdom	4	2	2
Bus	Ireland	1	1	1
Bus	Australia	24	14*	–
Rail	United Kingdom	1	1	1
Advertising	Singapore	1	1	1
Advertising	Australia	1	1	1
Automotive engineering services	Singapore	1	1	1
Automotive engineering services	Australia	1	–	–
Driving centre	China	2	–	–
Taxi	Singapore	1	1	1
Taxi	Australia	2	2	1
Taxi	China	3	3	3
Taxi	United Kingdom	9	10*	–
Car rental and leasing	Singapore	1	1	1
Car rental and leasing	China	1	1	1
Car rental and leasing	Malaysia	1	1	1
Insurance brokers	Singapore	1	–	–
Non-emergency transport services	Australia	7	–	–

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****8. SUBSIDIARIES (cont'd)**

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries		
		31 December 2018	31 December 2017	1 January 2017
Investment holding	Australia	–	–*	3
Bus and rail	Singapore	1	1	1
Bus	United Kingdom	2	2	2
Bus	Australia	–	–*	14
Rail	Singapore	1	1	1
Bus station	China	1	1	1
Driving centre	Singapore	1	1	1
Driving centre	China	2	3	3
Inspection and testing services	Singapore	5	5	5
Inspection and testing services	Malaysia	1	1	1
Inspection and testing services	China	2	2	2
Inspection and testing services	United Arab Emirates	1	1	1
Taxi	Singapore	2	2	2
Taxi	China	7	7	7
Taxi	United Kingdom	–	–*	11
Taxi	Vietnam	2	2	2
Automotive engineering services	Australia	–	1	1

Details of subsidiaries are included in Note 36(a).

\* In 2017, the Company acquired the remaining 49% stake in ComfortDelGro Australia Pty Ltd ("CDC") and CityFleet Networks Limited ("CFN") from Cabcharge Australia Limited. CDC and CFN became wholly-owned subsidiaries of the Company.

**9. ASSOCIATES**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Unquoted equity shares	0.6	0.8	0.8	–	0.3	0.3
Add: Share of post-acquisition reserves	0.3	8.2	10.4	–	–	–
Total	0.9	9.0	11.2	–	0.3	0.3

(a) Details of significant associates are included in Note 36(b).

(b) Summarised financial information in respect of the Group's associates is set out below:

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Total assets	1.1	24.7	29.5
Total liabilities	(0.6)	(7.8)	(8.2)
Net assets	0.5	16.9	21.3
Group's share of associates' net assets	0.3	8.2	10.4
Revenue	3.0	18.3	18.4
Profit for the year	0.1	9.5	10.2
Group's share of associates' profit	0.1	4.6	4.9

**10. INVESTMENTS**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Financial assets at fair value through Other Comprehensive Income:						
Equity shares in a corporation	29.6	28.7	52.3	19.0	18.3	36.4
Bonds in SP PowerAssets Limited	–	10.4	10.6	–	5.2	5.3
<b>Total</b>	<b>29.6</b>	<b>39.1</b>	<b>62.9</b>	<b>19.0</b>	<b>23.5</b>	<b>41.7</b>
Analysed as:						
Current	–	10.4	–	–	5.2	–
Non-current	29.6	28.7	62.9	19.0	18.3	41.7
<b>Total</b>	<b>29.6</b>	<b>39.1</b>	<b>62.9</b>	<b>19.0</b>	<b>23.5</b>	<b>41.7</b>

The equity shares in a corporation represent investment for long-term strategic purpose. Dividends received during the year amounted to \$1.0 million (31 December 2017 : \$12.5 million, 1 January 2017 : \$2.5 million). In 2017, the dividends received included a special dividend of \$10.0 million. The fair values are based on the closing market prices on the last market day of the financial year.

The bonds have been fully redeemed during the financial year.

**11. GRANT RECEIVABLES**

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Grant receivables	311.9	259.9	264.1
Analysed as:			
Current (Note 6)	99.1	28.7	26.5
Non-current	212.8	231.2	237.6
<b>Total</b>	<b>311.9</b>	<b>259.9</b>	<b>264.1</b>

Included in the grant receivables is \$311.9 million (31 December 2017 : \$259.9 million, 1 January 2017 : \$264.1 million) which is unsecured, bear effective interest at rates ranging from 4.26% to 8.19% (2017 : 4.26% to 8.19%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes.

The above grant receivables represent the net present value of the grant receivables from transport regulators mainly for the acquisition of new buses. Management has assessed that the credit risk associated with these grant receivables is low.

The carrying amounts of long-term grant receivables approximate their fair values.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

## 12. VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold land and building * \$'mil	Other leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
<b>The Group</b>				
<b>Cost or valuation*:</b>				
At 1 January 2017	2,179.8	63.8	367.3	177.7
Additions	118.2	–	6.5	7.6
Disposals	(34.2)	–	(1.1)	(1.2)
Reclassifications/Transfers from capital projects in progress	12.1	–	0.1	15.2
Exchange differences	4.8	–	(0.7)	0.2
At 31 December 2017	2,280.7	63.8	372.1	199.5
Arising from acquisition of subsidiaries	204.5	–	5.9	27.2
Additions	134.9	0.1	30.6	28.1
Disposals	(68.1)	–	(27.6)	–
Reclassifications/Transfers from capital projects in progress	0.4	–	2.8	–
Exchange differences	(75.0)	–	(2.8)	(15.4)
At 31 December 2018	2,477.4	63.9	381.0	239.4
<b>Accumulated depreciation and impairment:</b>				
At 1 January 2017	814.8	1.5	242.1	15.7
Depreciation	145.3	4.7	11.8	2.1
Impairment loss	–	–	–	–
Disposal	(32.6)	–	(1.0)	–
Exchange differences	2.0	–	(0.3)	0.1
At 31 December 2017	929.5	6.2	252.6	17.9
Arising from acquisition of subsidiaries	92.1	–	1.2	0.2
Depreciation	152.3	4.7	12.2	2.5
Reversal of impairment loss	–	–	–	–
Disposal	(62.1)	–	(16.4)	–
Exchange differences	(30.7)	–	(1.5)	(0.9)
At 31 December 2018	1,081.1	10.9	248.1	19.7
<b>Carrying amount:</b>				
At 31 December 2018	1,396.3	53.0	132.9	219.7
At 31 December 2017	1,351.2	57.6	119.5	181.6
At 1 January 2017	1,365.0	62.3	125.2	162.0

\* A leasehold land and building at a bus depot is stated at revalued amount being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done by a subsidiary pursuant to the agreement in the Negotiated Contract under the Bus Contracting Model (Note 35) in Singapore. As at 31 December 2018, the carrying amount of the leasehold land and building would have been \$19.7 million (31 December 2017 : \$21.3 million, 1 January 2017 : \$23.0 million), had the depot been carried at cost less accumulated depreciation.

Taxis and motor vehicles for rental \$'mil	Computers and automated equipment \$'mil	Workshop machinery, tools and equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
1,816.3	246.0	174.9	33.0	42.3	3.9	5,105.0
181.6	10.3	37.3	2.9	2.8	26.4	393.6
(432.4)	(36.3)	(2.5)	(1.8)	(0.8)	–	(510.3)
4.1	5.0	(18.0)	–	–	(18.5)	–
(4.8)	0.7	0.2	–	(0.2)	–	0.2
1,564.8	225.7	191.9	34.1	44.1	11.8	4,988.5
0.3	0.4	7.9	12.5	1.0	–	259.7
92.0	8.9	16.7	6.0	3.6	31.9	352.8
(166.3)	(50.6)	(37.7)	(4.2)	(1.4)	(2.0)	(357.9)
23.2	1.8	3.7	–	0.4	(32.3)	–
(5.7)	(3.2)	(3.8)	(0.8)	(0.5)	(0.1)	(107.3)
1,508.3	183.0	178.7	47.6	47.2	9.3	5,135.8
853.2	195.9	116.7	18.1	32.2	–	2,290.2
207.3	16.6	13.8	3.6	2.7	–	407.9
1.3	–	–	–	–	–	1.3
(361.1)	(34.4)	(2.3)	(1.6)	(0.7)	–	(433.7)
(2.4)	0.5	0.3	–	–	–	0.2
698.3	178.6	128.5	20.1	34.2	–	2,265.9
0.1	0.4	4.3	5.1	0.4	–	103.8
185.7	14.9	13.5	4.5	2.7	–	393.0
(1.1)	–	–	–	–	–	(1.1)
(132.9)	(50.1)	(10.1)	(2.9)	(0.4)	–	(274.9)
(3.2)	(2.6)	(2.5)	(0.4)	(0.4)	–	(42.2)
746.9	141.2	133.7	26.4	36.5	–	2,444.5
761.4	41.8	45.0	21.2	10.7	9.3	2,691.3
866.5	47.1	63.4	14.0	9.9	11.8	2,722.6
963.1	50.1	58.2	14.9	10.1	3.9	2,814.8

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****12. VEHICLES, PREMISES AND EQUIPMENT (cont'd)**

Buses of the Group with total carrying amounts of \$87.8 million (31 December 2017 : \$89.3 million, 1 January 2017 : \$50.3 million) and \$57.0 million (31 December 2017 : \$88.7 million, 1 January 2017 : \$97.2 million) are under finance lease arrangements and secured for bank loans respectively as disclosed in Note 16.

Of the carrying amount of taxis and motor vehicles for rental of \$761.4 million (31 December 2017 : \$866.5 million, 1 January 2017 : \$963.1 million), \$674.0 million (31 December 2017 : \$786.4 million, 1 January 2017 : \$885.6 million) relates to taxis. The remaining balance of \$87.4 million (31 December 2017 : \$80.1 million, 1 January 2017 : \$77.5 million) relates to motor vehicles for rental. During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a reversal of impairment of \$1.1 million (provision for impairment in 31 December 2017 : \$1.3 million, 1 January 2017 : \$2.5 million) that had been recognised in Profit or Loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
<b>The Company</b>						
<b>Cost:</b>						
At 1 January 2017	60.6	5.3	0.4	8.2	–	74.5
Additions	0.2	0.4	0.3	0.7	–	1.6
Disposals	–	(1.2)	–	(0.1)	–	(1.3)
At 31 December 2017	60.8	4.5	0.7	8.8	–	74.8
Additions	–	0.6	–	0.1	0.2	0.9
Disposals	(7.6)	(1.0)	–	–	–	(8.6)
At 31 December 2018	53.2	4.1	0.7	8.9	0.2	67.1
<b>Accumulated depreciation:</b>						
At 1 January 2017	54.7	4.5	0.1	7.2	–	66.5
Depreciation	1.7	0.5	0.1	0.3	–	2.6
Disposals	–	(1.2)	–	–	–	(1.2)
At 31 December 2017	56.4	3.8	0.2	7.5	–	67.9
Depreciation	1.9	0.4	0.2	0.2	–	2.7
Disposals	(7.6)	(1.0)	–	–	–	(8.6)
At 31 December 2018	50.7	3.2	0.4	7.7	–	62.0
<b>Carrying amount:</b>						
At 31 December 2018	2.5	0.9	0.3	1.2	0.2	5.1
At 31 December 2017	4.4	0.7	0.5	1.3	–	6.9
At 1 January 2017	5.9	0.8	0.3	1.0	–	8.0



**13. TAXI LICENCES**

	The Group	
	2018 \$'mil	2017 \$'mil
<b>Cost:</b>		
At beginning of year	266.0	272.0
Additions	15.4	–
Disposals	(0.5)	–
Exchange differences	(8.7)	(6.0)
At end of year	272.2	266.0
<b>Accumulated amortisation:</b>		
At beginning of year	54.1	54.3
Amortisation for the year	1.3	0.9
Disposals	(0.5)	–
Exchange differences	(1.6)	(1.1)
At end of year	53.3	54.1
<b>Carrying amount:</b>		
At end of year	218.9	211.9
At beginning of year	211.9	217.7

Of the carrying amount of \$218.9 million (31 December 2017 : \$211.9 million, 1 January 2017 : \$217.7 million) is \$196.1 million (31 December 2017 : \$187.4 million, 1 January 2017 : \$191.2 million) of taxi licences in China and \$8.0 million (31 December 2017 : \$8.3 million, 1 January 2017 : \$8.2 million) of bus operating rights in the United Kingdom with indefinite lives.

The remaining balance of \$14.8 million (31 December 2017 : \$16.2 million, 1 January 2017 : \$18.3 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised.

**14. GOODWILL**

	The Group	
	2018 \$'mil	2017 \$'mil
<b>Cost:</b>		
At beginning of year	428.3	427.5
Arising from acquisition of subsidiaries* (Note 38)	281.6	–
Exchange differences	(32.4)	0.8
At end of year	677.5	428.3

\* Includes provisional goodwill of \$257.6 million.

Goodwill acquired in a business combination is allocated at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

The carrying amount of goodwill of \$677.5 million (31 December 2017 : \$428.3 million, 1 January 2017 : \$427.5 million) is allocated to the bus business in Australia of \$496.4 million (31 December 2017 : \$268.2 million, 1 January 2017 : \$268.7 million) and the United Kingdom of \$104.7 million (31 December 2017 : \$103.8 million, 1 January 2017 : \$102.6 million); taxi business in Australia of \$30.6 million (31 December 2017 : \$26.0 million, 1 January 2017 : \$26.0 million), China of \$2.9 million (31 December 2017 : \$2.9 million, 1 January 2017 : \$2.9 million), the United Kingdom of \$1.6 million (31 December 2017 : \$1.6 million, 1 January 2017 : \$1.5 million) and Vietnam of \$0.9 million (31 December 2017 : \$0.9 million, 1 January 2017 : \$0.9 million). In Singapore, the carrying amounts of goodwill of \$14.7 million is allocated to taxi business, \$10.2 million (31 December 2017 : \$9.4 million, 1 January 2017 : \$9.4 million) and \$10.5 million (31 December 2017 : \$10.5 million, 1 January 2017 : \$10.5 million) are allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$5.0 million (31 December 2017 : \$5.0 million, 1 January 2017 : \$5.0 million) is allocated to vehicle leasing business in Malaysia of \$1.5 million (31 December 2017 : \$1.5 million, 1 January 2017 : \$1.5 million), inspection and testing business in China of \$3.0 million (31 December 2017 : \$3.0 million, 1 January 2017 : \$3.0 million), and driving centre business in China of \$0.5 million (31 December 2017 : \$0.5 million, 1 January 2017 : \$0.5 million).

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****15. DEFERRED TAX ASSETS/LIABILITIES**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deferred tax assets	22.3	23.3	23.6	–	–	–
Deferred tax liabilities	(249.4)	(258.5)	(252.2)	(1.3)	(1.3)	(2.3)
Net	(227.1)	(235.2)	(228.6)	(1.3)	(1.3)	(2.3)
At beginning of year	(235.2)	(228.6)	(200.9)	(1.3)	(2.3)	(2.8)
Arising from acquisition of subsidiaries	(7.2)	–	–	–	–	–
Credit (Charge) to Profit or Loss (Note 26)	16.9	(10.0)	(20.0)	–	–	0.5
Utilisation of deferred tax assets under Group Relief Scheme	(8.6)	–	–	–	–	–
Overprovision in prior years (Note 26)	1.9	3.8	1.3	–	1.0	–
Arising from movement in Other Comprehensive Income Statement	0.4	(0.3)	(10.3)	–	–	–
Exchange differences	4.7	(0.1)	1.3	–	–	–
At end of year	(227.1)	(235.2)	(228.6)	(1.3)	(1.3)	(2.3)

The balances in the accounts comprise the tax effects of:

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
<b>Deferred tax assets</b>						
Excess of book over tax depreciation	1.2	0.8	0.6	–	–	–
Provisions	0.5	0.5	3.1	–	–	–
Tax losses	20.6	22.0	19.9	–	–	–
	22.3	23.3	23.6	–	–	–
<b>Deferred tax liabilities</b>						
Accelerated tax depreciation	(233.8)	(290.6)	(276.1)	(1.8)	(1.8)	(1.8)
Other items	(15.6)	32.1	23.9	0.5	0.5	(0.5)
	(249.4)	(258.5)	(252.2)	(1.3)	(1.3)	(2.3)

**16. BORROWINGS**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Borrowings comprise of the following:						
(a) Short-term loans	54.4	29.6	–	5.8	–	–
(b) Long-term loans	430.8	213.3	135.4	338.0	–	–
(c) Medium Term Notes	–	–	150.0	–	–	–
(d) Finance lease obligations	84.7	79.4	59.7	–	–	–
<b>Total</b>	<b>569.9</b>	<b>322.3</b>	<b>345.1</b>	<b>343.8</b>	<b>–</b>	<b>–</b>
Analysed as:						
Current	90.4	114.2	169.3	5.8	–	–
Non-current	479.5	208.1	175.8	338.0	–	–
<b>Total</b>	<b>569.9</b>	<b>322.3</b>	<b>345.1</b>	<b>343.8</b>	<b>–</b>	<b>–</b>

**(a) Short-term loans**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Bank loans						
– unsecured	14.1	29.6	–	5.8	–	–
– secured	40.3	–	–	–	–	–
<b>Total</b>	<b>54.4</b>	<b>29.6</b>	<b>–</b>	<b>5.8</b>	<b>–</b>	<b>–</b>

The unsecured bank loans of \$14.1 million (31 December 2017 : \$29.6 million) are for a tenure ranging from 3 to 6 months (2017 : 1 to 7 months) and bear floating interest rates ranging from 1.87% to 2.35% (2017 : 1.20% to 1.30%) per annum. The secured bank loans of \$40.3 million are for a tenure ranging from 1 to 6 months and bear floating interest rates ranging from 2.67% to 2.94% per annum.

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

### 16. BORROWINGS (cont'd)

#### (b) Long-term loans

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Bank loans						
– secured	17.8	38.3	49.1	–	–	–
Bank loans						
– unsecured	413.0	175.0	66.6	338.0	–	–
Loan from a non-controlling shareholder of a subsidiary – unsecured	–	–	19.7	–	–	–
<b>Total</b>	<b>430.8</b>	<b>213.3</b>	<b>135.4</b>	<b>338.0</b>	<b>–</b>	<b>–</b>
Less: Amount due for settlement within 12 months (shown as current liabilities):						
Bank loans						
– secured	(16.7)	(20.1)	(10.7)	–	–	–
Bank loans						
– unsecured	–	(50.0)	(0.3)	–	–	–
<b>Total</b>	<b>(16.7)</b>	<b>(70.1)</b>	<b>(11.0)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Amount due for settlement after 12 months	414.1	143.2	124.4	338.0	–	–

**16. BORROWINGS (cont'd)****(b) Long-term loans (cont'd)**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
The borrowings are repayable as follows:						
On demand or						
within one year	16.7	70.1	11.0	–	–	–
In the second year	414.1	18.2	86.5	338.0	–	–
In the third year	–	125.0	18.2	–	–	–
After five years	–	–	19.7	–	–	–
<b>Total</b>	<b>430.8</b>	<b>213.3</b>	<b>135.4</b>	<b>338.0</b>	<b>–</b>	<b>–</b>

- (i) The \$17.8 million (31 December 2017 : \$38.3 million, 1 January 2017 : \$49.1 million) secured bank loans are secured on buses (see Note 12). The loans bear floating interest at rates ranging from 3.40% to 4.00% (2017 : 3.06% to 3.40%) per annum.
- (ii) The \$75.0 million (31 December 2017 : \$125.0 million, 1 January 2017 : \$50.0 million) unsecured bank loan bears fixed interest at 1.91% (2017 : 1.91% to 2.53%) per annum and the remaining \$338.0 million (31 December 2017 : \$50.0 million, 1 January 2017 : \$16.6 million) bears floating interest rates ranging from 2.27% to 2.39% (2017 : 1.47% to 1.54%) per annum.
- (iii) The unsecured loan from a non-controlling shareholder of a subsidiary bore a floating interest at rate of 3.27% per annum. The loan had been fully repaid in prior financial year.
- (iv) The fair values of the Group's long term loans approximate their carrying amount.

**(c) Medium Term Notes**

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Medium Term Notes – unsecured	–	–	150.0

- (i) In 2012, a subsidiary issued \$150.0 million 5-year fixed rate unsecured Series 002 notes due in September 2017. The notes bore an interest rate of 1.80% per annum payable on a semi-annual basis. The notes had been fully repaid in prior financial year.
- (ii) The fair value of the Group's Medium Term Notes approximated their carrying amount.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****16. BORROWINGS (cont'd)****(d) Finance lease obligations**

	The Group					
	Minimum lease payments			Present Value of minimum lease payments		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Amounts payable under finance leases:						
Within one year	22.7	18.5	12.5	19.3	14.5	8.3
Within the second to fifth year inclusive	71.1	72.9	57.1	65.4	64.7	47.0
After five years	–	0.7	5.8	–	0.2	4.4
	93.8	92.1	75.4	84.7	79.4	59.7
Less: Future finance charges	(9.1)	(12.7)	(15.7)	NA	NA	NA
Present value of finance lease obligations	84.7	79.4	59.7	84.7	79.4	59.7
Amount due for settlement within 12 months (shown under current liabilities)				(19.3)	(14.5)	(8.3)
Amount due for settlement after 12 months				65.4	64.9	51.4

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 5 to 15 years (2017 : 5 to 15 years). For the year ended 31 December 2018, the effective borrowing rates vary from 1.85% to 8.44% (2017 : 1.85% to 8.44%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in the respective entities' functional currencies.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (see Note 12).

**16. BORROWINGS (cont'd)****(e) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group Cash Flow Statement as cash flows from financing activities.

	1 January 2018 \$'mil	Financing cash flows <sup>(i)</sup> \$'mil	Non-cash changes			31 December 2018 \$'mil
			Acquisition of subsidiaries \$'mil	Exchange differences \$'mil	New finance leases \$'mil	
Loans	242.9	244.7	1.6	(4.0)	–	485.2
Finance lease obligations	79.4	(29.2)	12.2	(5.5)	27.8	84.7
<b>Total</b>	<b>322.3</b>	<b>215.5</b>	<b>13.8</b>	<b>(9.5)</b>	<b>27.8</b>	<b>569.9</b>

	1 January 2017 \$'mil	Financing cash flows <sup>(i)</sup> \$'mil	Non-cash changes			31 December 2017 \$'mil
			Acquisition of subsidiaries \$'mil	Exchange differences \$'mil	New finance leases \$'mil	
Loans	285.4	(42.7)	–	0.2	–	242.9
Finance lease obligations	59.7	(8.8)	–	0.3	28.2	79.4
<b>Total</b>	<b>345.1</b>	<b>(51.5)</b>	<b>–</b>	<b>0.5</b>	<b>28.2</b>	<b>322.3</b>

<sup>(i)</sup> The cash flows make up the net amount of new loans raised and repayment of borrowings in the Group Cash Flow Statement.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****17. TRADE AND OTHER PAYABLES**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Outside parties	234.9	229.2	232.5	7.0	0.7	1.0
Accruals	384.3	358.7	365.0	11.4	20.0	47.2
Deposits received						
– current [Note 20(a)]	50.7	58.3	62.3	0.1	0.1	0.8
Deferred income						
– from customers	16.4	17.8	36.6	–	–	–
Due to subsidiaries	–	–	–	150.5	223.3	407.9
Due to associate	–	8.9	14.3	–	8.9	14.3
Others	4.7	4.4	6.8	–	–	0.9
<b>Total</b>	<b>691.0</b>	<b>677.3</b>	<b>717.5</b>	<b>169.0</b>	<b>253.0</b>	<b>472.1</b>

The credit period on purchases of goods and services ranges from 7 days to 120 days (2017 : 7 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Of the amount of \$150.5 million (31 December 2017 : \$223.3 million, 1 January 2017 : \$407.9 million) due to subsidiaries, \$135.7 million (31 December 2017 : \$105.3 million, 1 January 2017 : \$285.9 million) represents funds under central pooling which bear variable interest at rates ranging from 1.10% to 2.31% (2017 : 1.02% to 1.27%) per annum are unsecured and repayable on demand. The remaining balance of \$14.8 million (31 December 2017 : \$118.0 million, 1 January 2017 : \$122.0 million) is interest-free, unsecured and repayable on demand.

At 31 December 2017, amount due to associate of \$8.9 million (1 January 2017 : \$14.3 million) represented funds under central pooling which bore variable interest at rates ranging from 1.17% to 1.30% per annum are unsecured and repayable on demand.

The Group's and the Company's trade and other payables that are not denominated in the functional currencies of the respective entities are as follows:

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
USD	8.5	10.1	13.6	–	–	–
Others	1.1	2.1	1.0	–	–	–



**18. DEFERRED GRANTS**

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deferred grants	362.5	301.5	297.5
Analysed as:			
Current	91.4	19.1	17.9
Non-current	271.1	282.4	279.6
<b>Total</b>	<b>362.5</b>	<b>301.5</b>	<b>297.5</b>

The deferred grants relate largely to the net present value of the grant income from the transport regulators in Australia for the acquisition of new buses.

**19. INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS**

	The Group	
	2018 \$'mil	2017 \$'mil
At beginning of year	62.2	65.8
Charges	14.8	17.7
Arising from acquisitions of subsidiaries	0.7	–
Payments	(25.2)	(21.5)
Exchange differences	(0.5)	0.2
<b>At end of year</b>	<b>52.0</b>	<b>62.2</b>

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
The balance comprises provision for:			

Insurance premiums	–	3.2	6.6
Accident claims	52.0	59.0	59.2
<b>Total</b>	<b>52.0</b>	<b>62.2</b>	<b>65.8</b>

The insurance premiums payable and provision for accident claims represent the estimated amount which certain subsidiaries will have to pay to outside parties for insurance premiums and accident claims involving the Group's vehicles (Note 3).

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****20. OTHER LIABILITIES**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Other liabilities comprised:						
(a) Deposits received	64.5	60.7	69.8	–	–	–
(b) Provision for service benefits and long service awards	15.6	15.2	15.2	0.1	0.1	0.1
(c) Retirement benefits obligations	0.2	–	5.7	–	–	–
<b>Total</b>	<b>80.3</b>	<b>75.9</b>	<b>90.7</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

**(a) Deposits received**

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deposits received from taxi hirers	115.2	119.0	132.1
Less: Due within 12 months (Note 17)	(50.7)	(58.3)	(62.3)
<b>Due after 12 months</b>	<b>64.5</b>	<b>60.7</b>	<b>69.8</b>

Deposits received from taxi hirers are repayable on demand upon termination of the taxi hire agreement. Deposits that are not expected to be repaid within the next twelve months after the reporting year based on past trend of termination of taxi hire agreements are presented as a non-current liability. The carrying amount of the deposits approximates their fair value.

**(b) Provision for service benefits and long service awards**

	The Group		The Company	
	2018 \$'mil	2017 \$'mil	2018 \$'mil	2017 \$'mil
At beginning of year	15.2	15.2	0.1	0.1
Charges	2.2	1.9	–	–
Payments	(1.8)	(1.9)	–	–
<b>At end of year</b>	<b>15.6</b>	<b>15.2</b>	<b>0.1</b>	<b>0.1</b>

**20. OTHER LIABILITIES (cont'd)****(c) Retirement benefits obligations**

A subsidiary provides pension arrangement to its employees through two defined benefit pension schemes, namely the Metroline Pension Scheme and the Metroline London Northern Pension Scheme (the "Pension Schemes"). In 2007, the employees of the Pension Schemes were transferred to a defined contribution pension scheme and the Pension Schemes ceased active accrual of benefits.

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
<b>Reconciliation of the assets and liabilities recognised in the Statement of Financial Position</b>			
Present value of defined benefit obligations that are wholly or partly funded	144.7	149.9	147.8
Fair value of plan assets at end of year	(144.5)	(153.1)	(142.1)
Net liability recognised in other liabilities (non-current) at end of year	0.2	–	5.7
Net asset recognised in other receivables (non-current) at end of year (Note 6)	–	(3.2)	–

**21. SHARE CAPITAL**

	The Group and The Company			
	2018 Number of ordinary shares (million)	2017	2018 \$'mil	2017 \$'mil
Issued and paid-up:				
At beginning of year	2,163.6	2,156.9	688.2	676.9
Exercise of share options	1.8	6.7	2.9	11.3
At end of year	2,165.4	2,163.6	691.1	688.2

Details of the outstanding share options of the Company as at the end of the financial year are set out in paragraph 4 of the Directors' Statement and in Note 24(c).

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****22. OTHER RESERVES**

	The Group		The Company	
	2018 \$'mil	2017 \$'mil	2018 \$'mil	2017 \$'mil
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Statutory reserve:				
At beginning of year	32.0	29.9	–	–
Transfer from accumulated profits	3.3	2.1	–	–
At end of year	35.3	32.0	–	–
Retirement benefit reserve:				
At beginning of year	(34.0)	(39.0)	–	–
Actuarial adjustment on defined benefit plans	(5.4)	5.0	–	–
At end of year	(39.4)	(34.0)	–	–
Investment revaluation reserve:				
At beginning of year	(60.4)	(38.3)	(64.5)	(46.3)
Fair value gain (loss) on investments	1.0	(22.1)	0.7	(18.2)
At end of year	(59.4)	(60.4)	(63.8)	(64.5)
Hedging reserve:				
At beginning of year	–	(9.8)	–	–
Fair value (loss) gain on cash flow hedges	(2.3)	9.8	–	–
At end of year	(2.3)	–	–	–
Others:				
At beginning of year	115.2	49.2	0.7	1.6
Exercise of share options	(0.3)	(0.9)	(0.3)	(0.9)
Adjustment arising from acquisition interests in subsidiaries	0.3	66.8	–	–
Others	0.1	0.1	–	–
At end of year	115.3	115.2	0.4	0.7
Net	80.9	84.2	(32.0)	(32.4)

Merger reserve represents the difference between the fair value of the share capital of the combining entities in a combination involving entities under common control at the date on which it was acquired by the Group and the fair value of the share capital issued as consideration of the acquisition.

Included in investment revaluation reserve is a cumulative amount of \$59.4 million (31 December 2017 : \$60.6 million, 1 January 2017 : \$38.7 million) that upon disposal will not be reclassified subsequently to Profit or Loss.

Others comprise mainly asset revaluation reserve, capital reserve and share option reserve.

## 23. REVENUE

Revenue comprises the following amounts:

	The Group	
	2018	2017
	\$'mil	\$'mil
Public transport services	2,711.0	2,400.9
Taxi	726.5	804.7
Automotive engineering services	166.1	171.1
Inspection and testing services	107.5	100.7
Others	94.1	99.0
	3,805.2	3,576.4

Majority of the contracts relates to provision of public transport services to the transport regulators in Singapore, Australia and the United Kingdom for periods ranging from 2 years to 8 years.

The Group has the right to consideration from customers in amounts that corresponds directly with the performance of the services completed.

## 24. STAFF COSTS

- (a) The remuneration of the Directors (executive and non-executive) and key executives comprises mainly of short-term benefits amounting to \$7.6 million (2017 : \$7.4 million).

	The Group	
	2018	2017
	\$'mil	\$'mil
(b) Cost of defined contribution plan (included in staff costs)	151.1	143.7

The employees of the Company and some of the subsidiaries are members of a defined contribution retirement scheme. The Company and these subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement scheme to fund the benefits. The only obligation of the Company and these subsidiaries with respect to the scheme is to make the specified contributions.

- (c) **Share-based payments (included in staff costs)**

### Share option schemes

The Company and its listed subsidiaries had share option schemes for certain employees and Directors of the respective companies. These share option schemes expired in prior years and had not been renewed. Information on the share option plans is disclosed in paragraph 4 to the Directors' Statement. Options are exercisable at a subscription price determined with reference to the market price of the shares at the time of grant of the options. If the options remain unexercised after a period of 10 years (5 years for non-executive Directors) from the date of the grant, the options expire. Options granted will lapse when the option holder ceases to be a full-time employee or a Director of the Group, subject to certain exceptions at the discretion of the Remuneration Committee.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****24. STAFF COSTS (cont'd)****(c) Share-based payments (included in staff costs) (cont'd)**

Details of the share options outstanding during the year are as follows:

**(i) The Company**

	2018		2017	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	6,174,000	1.47	13,040,000	1.51
Lapsed during the year	(600,000)	1.42	(100,000)	2.26
Exercised during the year	(1,785,000)	1.51	(6,766,000)	1.55
Outstanding at the end of the year	3,789,000	1.45	6,174,000	1.47
Exercisable at the end of the year	3,789,000	1.45	6,174,000	1.47

The weighted average share price at the date of share options being exercised during the year was \$2.29 (2017 : \$2.59). The options outstanding at the end of the year have an average remaining contractual life of 2.8 years (2017 : 3.3 years).

**(ii) SBS Transit Ltd**

	2018		2017	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	1,040,000	1.91	3,085,000	2.49
Lapsed during the year	(222,500)	1.78	(1,215,000)	3.34
Exercised during the year	(585,000)	2.10	(830,000)	1.98
Outstanding at the end of the year	232,500	1.58	1,040,000	1.91
Exercisable at the end of the year	232,500	1.58	1,040,000	1.91

The weighted average share price at the date of share options being exercised during the year was \$2.60 (2017 : \$2.60). The options outstanding at the end of the year have a weighted average remaining contractual life of 0.5 years (2017 : 0.9 years).

**25. FINANCE COSTS**

	The Group	
	2018 \$'mil	2017 \$'mil
Interest expense on:		
Loans and Medium Term Notes	7.1	6.5
Finance leases	4.3	4.3
<b>Total</b>	<b>11.4</b>	<b>10.8</b>

**26. TAXATION**

	The Group	
	2018 \$'mil	2017 \$'mil
Taxation charge (credit) comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	102.9	70.1
Deferred taxation relating to the origination and reversal of temporary differences (Note 15)	(16.9)	10.0
	86.0	80.1
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(3.6)	0.2
Deferred taxation (Note 15)	(1.9)	(3.8)
	80.5	76.5

Domestic income tax is calculated at 17% (2017 : 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	The Group	
	2018 \$'mil	2017 \$'mil
<b>Profit before Taxation</b>	<b>439.3</b>	<b>425.4</b>
Income tax expense calculated at 17% (2017 : 17%)	74.7	72.3
Effect of items that are not taxable in determining taxable profit	(1.2)	(5.0)
Effect of different tax rates of subsidiaries operating in other jurisdictions	11.5	13.4
Tax rebates	(0.1)	(0.1)
Tax effect of share of results of associate	–	(0.8)
Utilisation of deferred tax benefits previously not recognized	(0.1)	–
Overprovision in prior years	(5.5)	(3.6)
Other items	1.2	0.3
	80.5	76.5

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$4.7 million (2017 : \$1.3 million) and the resultant deferred tax benefits of \$1.2 million (2017 : \$0.3 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****27. PROFIT AFTER TAXATION**

Profit after taxation is arrived at after charging (crediting):

	<b>The Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'mil</b>	<b>\$'mil</b>
Amortisation of taxi and other licences	1.3	0.9
Depreciation expense	393.0	407.9
(Reversal of)/Provision for impairment on vehicles (included in other operating costs)	(1.1)	1.3
Net gain on disposal of vehicles, premises and equipment	(15.9)	(5.2)
Directors' fees	1.4	1.3
Audit fees:		
Auditors of the Company	0.5	0.5
Auditors of subsidiaries	0.9	0.7
Non-audit fees:		
Auditors of the Company	0.2	0.4
Auditors of subsidiaries	0.1	0.1

**28. EARNINGS PER SHARE**

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>2018</b>	<b>2017</b>
Net profit attributable to shareholders of the Company (\$'mil)	303.3	301.5
Weighted average number of ordinary shares in issue (million)	2,164.6	2,160.7
Basic earnings per share (in cents)	14.01	13.95

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from share options.

	<b>2018</b>	<b>2017</b>
Net profit attributable to shareholders of the Company (\$'mil)	303.3	301.5
Weighted average number of ordinary shares in issue (million)	2,164.6	2,160.7
Adjustments for share options (million)	1.3	2.2
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,165.9	2,162.9
Diluted earnings per share (in cents)	14.00	13.94



## 29. SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is organised on a world-wide basis into 7 major operating divisions:

- (a) Public transport services : Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.
- (b) Taxi : Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.
- (c) Automotive engineering services : Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, assembly of bus bodies, crash repair services, engineering services and sale of diesel.
- (d) Inspection and testing services : Income is generated through the provision of motor vehicle inspection services and provision of non-vehicle testing, inspection and consultancy services.
- (e) Driving centre : Income is generated through operating driving schools.
- (f) Car rental and leasing : Income is generated through renting and leasing of cars.
- (g) Bus station : Income is generated mainly through commission income from fare collection.

Segment revenue and expenses: Segment revenue and expenses are the operating revenue and expenses reported in the Group's Income Statement that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of short-term deposits and bank balances, investments, operating receivables, inventories, taxi licences, goodwill and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals, deferred grants, deposits, provisions and borrowings.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are based on prices as determined between the parties. These transfers are eliminated on consolidation.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****29. SEGMENT INFORMATION (cont'd)****(i) Business Segments**

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Elimination \$'mil	Total \$'mil
<b>Financial Year 2018</b>									
<b>REVENUE</b>									
External sales	2,711.0	726.5	166.1	107.5	43.3	26.7	24.1	–	3,805.2
Inter-segment sales	1.3	–	95.6	3.0	0.2	–	–	(100.1)	–
Total	2,712.3	726.5	261.7	110.5	43.5	26.7	24.1	(100.1)	3,805.2
<b>RESULT</b>									
Operating Profit	216.5	129.4	25.3	39.8	11.8	4.9	11.1	–	438.8
Net Income from Investments									11.8
Finance Costs									(11.4)
Share of Profit in Associate									0.1
Profit before Taxation									439.3
Taxation									(80.5)
Profit after Taxation									358.8
Non-Controlling Interests									(55.5)
Profit Attributable to Shareholders of the Company									303.3
<b>OTHER INFORMATION</b>									
Additions to vehicles, premises and equipment	196.9	96.8	2.8	26.2	2.5	27.0	0.6	–	352.8
Additions to taxi licences	–	15.4	–	–	–	–	–	–	15.4
Additions to goodwill	262.0	19.6	–	–	–	–	–	–	281.6
Depreciation expense	180.3	186.2	2.2	6.7	2.0	14.0	1.6	–	393.0
Amortisation expense	–	1.3	–	–	–	–	–	–	1.3
(Reversal of)/Provision for impairment loss recognised in Income Statement	–	(1.4)	–	–	–	0.3	–	–	(1.1)

**29. SEGMENT INFORMATION (cont'd)****(i) Business Segments (cont'd)**

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Elimination \$'mil	Total \$'mil
<b>Financial Year 2017</b>									
<b>REVENUE</b>									
External sales	2,400.9	804.7	171.1	100.7	42.0	31.4	25.6	–	3,576.4
Inter-segment sales	1.4	–	112.3	3.3	0.2	0.1	–	(117.3)	–
Total	2,402.3	804.7	283.4	104.0	42.2	31.5	25.6	(117.3)	3,576.4
<b>RESULT</b>									
Operating Profit	180.1	134.0	33.9	32.6	9.8	6.9	11.9	–	409.2
Net Income from Investments									22.4
Finance Costs									(10.8)
Share of Profit in Associate									4.6
Profit before Taxation									425.4
Taxation									(76.5)
Profit after Taxation									348.9
Non-Controlling Interests									(47.4)
Profit Attributable to Shareholders of the Company									301.5
<b>OTHER INFORMATION</b>									
Additions to vehicles, premises and equipment	164.9	188.1	1.3	4.3	2.1	30.8	2.1	–	393.6
Depreciation expense	170.7	212.0	2.1	6.5	2.0	12.9	1.7	–	407.9
Amortisation expense	–	0.9	–	–	–	–	–	–	0.9
Provision for impairment loss recognised in Income Statement	–	1.3	–	–	–	–	–	–	1.3



## 29. SEGMENT INFORMATION (cont'd)

### (i) Business Segments (cont'd)

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Total \$'mil
<b>1 January 2017</b>								
<b>STATEMENT OF FINANCIAL POSITION</b>								
<b>ASSETS</b>								
Segment assets	2,240.3	1,258.1	56.0	63.6	23.3	84.7	18.9	3,744.9
Goodwill	380.6	31.4	–	13.5	0.5	1.5	–	427.5
Associates								11.2
Cash, fixed deposits, equities and bonds								842.2
Deferred tax assets								23.6
Consolidated total assets								5,049.4
<b>LIABILITIES</b>								
Segment liabilities	839.2	245.4	51.5	21.3	15.2	11.5	27.4	1,211.5
Borrowings								345.1
Income tax payable								48.5
Deferred tax liabilities								252.2
Consolidated total liabilities								1,857.3

### (ii) Geographical Segments

	Revenue		Non-current assets*			Additions to non-current assets*		
	2018 \$'mil	2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	2018 \$'mil	2017 \$'mil	
<b>Geographical Location</b>								
Singapore	2,241.4	2,108.6	1,577.0	1,741.6	1,897.4	178.3	213.8	
United Kingdom/ Ireland	891.0	855.6	529.1	497.2	438.5	85.4	95.8	
Australia	503.4	423.6	1,155.5	795.5	776.4	338.1	54.3	
China	163.5	179.2	317.4	317.0	330.5	46.9	29.1	
Vietnam	3.3	6.8	4.6	7.5	12.8	0.2	0.1	
Malaysia	2.6	2.6	4.1	4.0	4.4	0.9	0.5	
Total	3,805.2	3,576.4	3,587.7	3,362.8	3,460.0	649.8	393.6	

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

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****30. COMMITMENTS**

As at 31 December 2018, the Group has the following commitments:

Capital commitments contracted for but not provided for in the Financial Statements:

	The Group	
	2018	2017
	\$'mil	\$'mil
Purchase of equipment	17.3	37.3
Purchase of buses, taxis and motor vehicles	172.2	66.2
Purchase of computer systems	7.7	6.0
Development of bus depots and properties	7.1	18.6
<b>Total</b>	<b>204.3</b>	<b>128.1</b>

**31. OPERATING LEASE ARRANGEMENTS****The Group as lessee**

	The Group	
	2018	2017
	\$'mil	\$'mil
Minimum lease payment under operating leases recognised as expense in the year	37.9	43.5

At the end of the reporting year, commitments in respect of non-cancellable operating leases for the rental of premises and vehicles were as follows:

	The Group		The Company	
	2018	2017	2018	2017
	\$'mil	\$'mil	\$'mil	\$'mil
Within one year	33.3	30.9	3.1	3.5
In the second to fifth year inclusive	58.8	64.5	–	2.9
After five years	37.7	48.6	–	–
<b>Total</b>	<b>129.8</b>	<b>144.0</b>	<b>3.1</b>	<b>6.4</b>

Leases are negotiated for average terms ranging from 1 year to 43 years and rental is fixed ranging from 1 year to 13 years.

**The Group as lessor**

The Group rents out certain of its properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was \$182.1 million (2017 : \$189.5 million).

At the end of the reporting year, the Group has contracted with counter parties for the following future minimum lease payments:

	The Group	
	2018	2017
	\$'mil	\$'mil
Within one year	174.9	171.0
In the second to fifth year inclusive	338.2	340.4
After five years	0.2	30.3
<b>Total</b>	<b>513.3</b>	<b>541.7</b>

## 32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### (a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
<b>Financial Assets</b>						
Amortised cost	1,289.5	1,207.2	1,335.1	529.9	154.7	334.5
Debt instruments						
classified as at FVTOCI	–	10.4	10.6	–	5.2	5.3
Equity instruments						
classified as at FVTOCI	29.6	28.7	52.3	19.0	18.3	36.4
Financial instruments designated in hedge accounting relationship						
– Hedging instruments	–	–	0.4	–	–	0.3
<b>Financial Liabilities</b>						
Amortised cost	1,393.2	1,137.7	1,219.1	512.9	253.1	472.2
Financial instruments designated in hedge accounting relationship						
– Hedging instruments	3.5	–	12.5	–	–	–

### (b) Financial risk management policies and objectives

The main areas of financial risk faced by the Group are foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

#### (i) Foreign exchange risk management

The Group manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using hedging instruments such as forwards and options where necessary. The Group's revenue is mainly denominated in Singapore Dollar ("SGD") with the remaining in Great British Pound ("GBP"), Renminbi ("RMB"), Australian Dollar ("AUD"), Euro ("EUR"), Malaysian Ringgit ("MYR") and Vietnamese Dong ("VND"). On the cost side, its foreign currency exposures include United States Dollar ("USD"), GBP, RMB, AUD, Swedish Kroner ("SEK"), EUR, MYR and VND. The Group has investments in the United Kingdom, China, Australia, Ireland, Malaysia and Vietnam. Net translation risks are regularly monitored and the Group currently does not seek to hedge this exposure as it does not impact cash flows.

#### Foreign currency sensitivity

The bulk of the Group's foreign currency exposures are in the functional currencies of its respective operations. Exposures to foreign currencies that are non-functional are actively managed as part of the overall foreign exchange risk management. Based on sensitivity analysis performed, Management has assessed that exposure to changes in foreign exchange rates arising from assets and liabilities denominated in non-functional currencies of entities in the Group is minimal.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)****(b) Financial risk management policies and objectives (cont'd)****(ii) Interest rate risk management**

The Group's primary interest rate risk relates to its borrowings, investments in fixed income securities and deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk. The Group may borrow at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates.

***Interest rate sensitivity***

The Group has interest-bearing assets such as fixed income securities and deposits as well as interest-bearing liabilities. Any change in interest rate affecting the interest-bearing assets shall have an offsetting impact from the interest-bearing liabilities. Based on sensitivity analysis performed at the end of the reporting year, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or other comprehensive income of the Group is insignificant.

**(iii) Credit risk management**

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of Singapore, United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.

**(iv) Liquidity risk management**

The Group funds its operations through a mix of internal funds, bank borrowings and issuance of notes in the capital market. It regularly reviews its liquidity position comprising free cash flows from its operations, credit lines from banks and its Medium Term Note ("MTN") Programme to ensure its ability to access funding at any time at the best possible rates.

**(v) Fuel price risk management**

Fuel, comprising diesel and electricity, is part of the operating costs of the Group. The Group is also exposed to fluctuations in fuel price in its bus and rail operations and diesel sales business. The Group seeks to hedge the price risk associated with its fuel needs after considering fuel indexation in its contracts with various local authorities and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting year, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting year as a basis will impact the Group's annual fuel and electricity costs by \$0.5 million (2017 : \$0.6 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2018.



**32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)****(b) Financial risk management policies and objectives (cont'd)****(vi) Fair values of financial assets and financial liabilities**

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the Financial Statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a. quoted prices in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (Level 3).

The majority of the fair value of the Group's investments are classified into Level 1. The Group's hedging instruments are classified into Level 2. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

**(c) Hedging instruments**

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting year, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting year, the Group has outstanding fuel and foreign exchange hedge with notional amounts totalling \$47.8 million (1 January 2017 : \$59.1 million).

At the end of the prior year, the Group had no outstanding fuel and foreign exchange hedges.

The fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting year, comprised \$3.5 million of liabilities was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges.

The Group uses fuel hedging contracts to manage its exposure to fuel price risks. These arrangements are designed to address fuel price exposure on future purchases of fuel and are accounted for as cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)****(d) Capital risks management policies and objectives**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 16(a) and 16(b), Medium Term Notes under Note 16(c) and finance lease payable under Note 16(d) while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 2017.

**(e) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's financial liabilities:**

	Carrying Amount \$'mil	Contractual cash flows			Effective interest rate %	
		Total \$'mil	Within 1 year \$'mil	Within 2 to 5 years \$'mil		Beyond 5 years \$'mil
<b>31 December 2018</b>						
<b>Financial liabilities</b>						
<b>Loans:</b>						
In functional currencies	484.7	490.5	73.8	416.1	0.6	1.9% – 3.4%
<b>Finance leases:</b>						
In functional currencies	84.7	86.6	20.1	66.5	–	1.9% – 8.4%
<b>Total</b>	<b>569.4</b>	<b>577.1</b>	<b>93.9</b>	<b>482.6</b>	<b>0.6</b>	
<b>31 December 2017</b>						
<b>Financial liabilities</b>						
<b>Loans:</b>						
In functional currencies	242.9	251.3	104.0	20.8	126.5	1.2% to 3.4%
<b>Finance leases:</b>						
In functional currencies	79.4	92.1	18.5	72.9	0.7	1.9% to 8.4%
<b>Total</b>	<b>322.3</b>	<b>343.4</b>	<b>122.5</b>	<b>93.7</b>	<b>127.2</b>	
<b>1 January 2017</b>						
<b>Financial liabilities</b>						
<b>Loans:</b>						
In functional currencies	285.4	294.0	166.6	107.6	19.8	1.4% to 3.4%
<b>Finance leases:</b>						
In functional currencies	59.7	75.4	12.5	57.1	5.8	6.2% to 8.4%
<b>Total</b>	<b>345.1</b>	<b>369.4</b>	<b>179.1</b>	<b>164.7</b>	<b>25.6</b>	

### 33. DIVIDENDS

- (a) During the financial year, the Company paid dividends as follows:

	2018 \$'mil	2017 \$'mil
Tax-exempt one-tier final dividend in respect of the previous financial year: – 6.05 cents (2017 : 6.05 cents) per ordinary share	130.9	130.8
Tax-exempt one-tier interim dividend in respect of the current financial year: – 4.35 cents (2017 : 4.35 cents) per ordinary share	94.2	94.1
<b>Total</b>	<b>225.1</b>	<b>224.9</b>

- (b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 6.15 cents per ordinary share totalling \$133.2 million be paid for the financial year ended 31 December 2018. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax-exempt one-tier interim dividend of 4.35 cents per ordinary share (2017 : 4.35 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2018 will be 10.50 cents per ordinary share (2017 : 10.40 cents per ordinary share).

### 34. LICENCE FOR RAIL SERVICES

#### **North-East Line MRT System, Punggol LRT System and Sengkang LRT System**

##### **Licence Prior To 1 April 2018**

A licence dated 15 January 2003 was issued by Land Transport Authority (“LTA”) to a subsidiary, SBS Transit Ltd (“SBST”) under which SBST is licensed to operate the North-East Mass Rapid Transit System and the Sengkang and Punggol Light Rapid Transit Systems (collectively referred to as the “Licensed Systems”) for an initial period of 30 years, with a possible extension of a further 30 years subject to the approval of the LTA. Under this licence, the LTA funds the first set of the operating assets. SBST has the obligation, to acquire the first set of the operating assets at the net book values as recorded in the latest audited accounts of the LTA, at dates and times determined by the LTA during a joint review of the viability of the Licensed Systems by LTA and SBST. In addition, SBST has to fund all additions, renewals and replacement of operating assets required during the licence period. SBST had surrendered this licence on 31 March 2018 following the transition of the Licenced Systems to the New Rail Financing Framework under which a new licence has been granted with effect from 1 April 2018.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****34. LICENCE FOR RAIL SERVICES (cont'd)****New Licence Under the New Rail Financing Framework ("NRFF")**

With effect from 1 April 2018, SBST has been granted a new licence to operate the Licensed Systems under the New Rail Financing Framework ("NRFF") for a period of 15 years. If SBST applies for an extension, LTA may extend the term of the new licence for a further five years subject to terms and conditions as LTA may impose and SBST may accept.

The NRFF is an asset-light model whereby the LTA will make the capital investments in operating assets and thereby retain the ability and flexibility to decide on the additions, renewals and replacements and undertake long term planning for the rapid transit system network. It allows the LTA to respond more promptly to commuter needs, while relieving SBST of the cost of asset renewal and upgrade, and of procuring additional operating assets when ridership demand increases, in order to meet service level and reliability standards. The NRFF was first implemented in 2011 when SBST was awarded the tender for the Downtown Line.

With the transition to the NRFF, SBST will no longer need to buy over the first set of operating assets from the LTA. Going forward, LTA will also own and pay for the operating assets, including additions, renewals and replacements. In conjunction with the transition to the NRFF, SBST had entered into Sale and Purchase Agreements with the LTA on 14 February 2018 for the sale of certain operating assets required for the operation of the Licensed Systems which were purchased by SBST prior to the transition. The aggregate consideration for the sale was based on the respective net book values of such assets on the date of transfer amounted to \$29,210,000.

In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, SBST will pay an annual licence charge to the LTA over the licence period. The licence charge structure under the NRFF provides for some sharing between SBST and the LTA of revenue risks under the Fare Revenue Shortfall Sharing ("FRSS") as well as profit sharing via an Earnings Before Interest and Tax ("EBIT") Cap/Collar. These are explained below:

(i) Fare Revenue Shortfall Sharing ("FRSS")

The licence charge structure has a FRSS mechanism which offers some level of protection against revenue risks arising from uncertainties in ridership and fares. Under this mechanism, if the actual revenue falls short of the target revenue by 2% to 6%, LTA will share 50% of the shortfall. If the shortfall between the actual revenue and the target revenue exceeds 6%, LTA will bear 75% of the incremental revenue shortfall beyond 6%.

(ii) Earnings Before Interest & Tax ("EBIT") Cap/Collar

The licence charge structure provides for profit sharing via an EBIT cap and collar mechanism whereby LTA shares in the upside of the EBIT above the cap as well as the downside risks below the collar. If the EBIT margin is lower than 3.50%, LTA will share 50% of the shortfall. LTA's sharing of the shortfall is limited by the amount of licence charge payable by SBST for the year. If the EBIT margin exceeds the cap of 5%, the excess will be shared via a tiered structure, whereby 85% to 95% of the incremental EBIT above the 5% cap will be shared with LTA.

**34. LICENCE FOR RAIL SERVICES (cont'd)****New Licence Under the New Rail Financing Framework ("NRFF") (cont'd)**

## (ii) Earnings Before Interest &amp; Tax ("EBIT") Cap/Collar (cont'd)

LTA's sharing under the FRSS and/or the EBIT Cap/Collar is limited by the amount of licence charge payable by SBST for the year.

In addition, the LTA may reimburse or be reimbursed by SBST when new regulatory changes initiated by LTA after the transition lead to changes in operating costs or revenue. Regulatory changes that may impact operating costs or revenue include modifications to operating performance standards for the rail lines, maintenance performance standards for the operating assets, key performance indicators or codes of practice and changes in rentable and advertising spaces available for generating non-fare revenue.

**Downtown Line MRT System**

A licence dated 19 December 2013 was issued by LTA to a subsidiary of SBST under which the subsidiary of SBST is licensed to operate the Downtown Line MRT System.

The licence sets out the conditions governing the operation of the Downtown Line MRT system and includes, among others, the following:

- (a) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.
- (b) The licence fee payable to LTA is prescribed under the subsidiary of SBST legislation of the Rapid Transit Systems Act during the Licence Term.
- (c) The subsidiary of SBST shall pay LTA a licence charge which consists of Fixed Charge and Revenue Share Charge. A yearly Fixed Charge is payable from financial year 2019 to end of licence period. If the Operating Surplus minus the Fixed Charge for a financial year is more than the Threshold Profit, the subsidiary of SBST shall pay Revenue Share Charge.
- (d) After the commencement of revenue service of the last stage, the subsidiary of SBST shall pay LTA a Cash-Bid Amount if the Net Operating Surplus for a financial year is more than the Threshold Profit.
- (e) All Operating Assets shall remain the property of LTA except for Spares, Special Tools, Non-Proprietary Items and End Devices purchased by the subsidiary of SBST during the Licence Term.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****35. CONTRACT UNDER THE BUS CONTRACTING MODEL ("BCM")**

A subsidiary, SBST entered into public bus services contracts (collectively known as the "Negotiated Contract") with LTA for the operation of public bus services under the BCM. The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016. Under the Negotiated Contract, SBST operates a total of 8 bus packages with an average contract period of 7 years. The respective contracted expiry dates of the 8 bus packages (subject to any further extension that may be granted at the sole discretion of LTA) are as follows: Bukit Merah (2018), Sengkang-Hougang (2021), Bedok (2023), Jurong West (2024), Tampines (2024), Serangoon-Eunos (2025), Clementi (2025) and Bishan-Toa Payoh (2026).

As part of the Negotiated Contract, SBST leases its fleet of close to 2,900 buses to LTA. In consideration of SBST using its fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of SBST (bus depot and related equipment) based on the depreciation of such assets.

Subsequent to the Negotiated Contract, SBST was awarded the Seletar Bus Package in April 2017 and the Bukit Merah Bus Package (the first among the 8 bus packages within the Negotiated Contract to expire) in February 2018 respectively through the tender process conducted by LTA. Both bus packages secured through the tender process have a contract period of five years which can be extended by another two years. The Seletar and Bukit Merah Bus Packages had commenced operations from March 2018 and November 2018 respectively.

Including the two bus packages secured through tender, SBST operates a total of 9 bus packages which cover a total of 222 bus services, 7 bus depots, 1 bus park, 17 bus interchanges and 14 bus terminals. The fleet size required to operate the 9 packages is around 3,500 buses.

Under the BCM, LTA retains all fare revenue collected from the provision of the bus services. Revenue for SBST is derived from the provision of bus services which comprises service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, SBST retains revenue from other commercial services comprising advertising and rental.

In addition to operating and managing bus services to specified performance standards, SBST's responsibilities include the following:

- (a) Operate, manage and maintain the buses and their on-board equipment;
- (b) Operate, and maintain the bus interchanges, bus depots including the equipment and systems therein;
- (c) Charge and collect fares as approved by the Public Transport Council, on behalf of LTA, for travel on the bus services;
- (d) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- (e) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

### 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of subsidiaries and associates are as follows:

#### (a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Quoted equity shares</b>					
SBS Transit Ltd <sup>(27)</sup>	Provision of public bus and rail services	Singapore	74.48	74.62	74.82
VICOM Ltd <sup>(27)</sup>	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.06	67.06
<b>Unquoted equity shares</b>					
Braddell Limited <sup>(3)</sup>	Investment holding	United Kingdom	100	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50	53.50
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100	100

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)****(a) Subsidiaries (cont'd)**

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Unquoted equity shares (cont'd)</b>					
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100	100
SBS (Guangzhou) Pte Ltd	Inactive	Singapore	100	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100	100
CityFleet Networks Limited <sup>(18)</sup>	Provision and management of taxi booking services	United Kingdom	100	100	55.72
Swan Taxis Pty Ltd <sup>(3)</sup>	Provision of taxi services	Australia	100	100	100
ComfortDelGro Corporation Australia Pty Ltd <sup>(3)</sup>	Investment holding and provision of management services	Australia	100	100	55.72
ComfortDelGro Insurance Brokers Pte Ltd <sup>(25)</sup>	Insurance broking, risk management, claims management and related activities	Singapore	100	49	49
ComfortDelGro Ventures Pte Ltd <sup>(28)</sup>	Investment holding	Singapore	100	–	–
<b>Subsidiary of SBS Transit Ltd:</b>					
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	74.48	74.62	74.82
<b>Subsidiaries of VICOM Ltd:</b>					
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.31	52.31	52.31
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.06	67.06	67.06
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.06	67.06	67.06



## 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

## (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of Setsco Services Pte Ltd:</b>					
Setsco Services (M) Sdn Bhd <sup>(1)</sup>	Provision of testing, inspection and consultancy services	Malaysia	67.06	67.06	67.06
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.06	67.06	67.06
SETS Services DMCC <sup>(16)</sup>	Building inspection services	United Arab Emirates	67.06	67.06	67.06
<b>Subsidiary of Comfort (China) Pte Ltd:</b>					
Suzhou Comfort Taxi Co., Ltd <sup>(2)</sup>	Provision of taxi services	China	70	70	70
<b>Subsidiaries of Braddell Limited:</b>					
ComfortDelGro Irish Citylink Limited <sup>(3)</sup>	Provision of coach services	Ireland	100	100	100
Metroline Limited <sup>(3)</sup>	Investment holding	United Kingdom	100	100	100
Metroline Rail Limited <sup>(26)</sup>	Inactive	United Kingdom	100	100	100
Scottish Citylink Coaches Limited <sup>(3)</sup>	Provision of long distance coach services	United Kingdom	65	65	65
New Adventure Travel Limited <sup>(17) (21)</sup>	Provision of public bus and coach services	United Kingdom	100	–	–
<b>Subsidiaries of Metroline Limited:</b>					
Metroline Travel Limited <sup>(3)</sup>	Provision of public bus services	United Kingdom	100	100	100
Metroline West Limited <sup>(3)</sup>	Provision of public bus services	United Kingdom	100	100	100
<b>Subsidiary of Scottish Citylink Coaches Limited:</b>					
Megacity Limited <sup>(26)</sup>	Inactive	United Kingdom	65	65	65

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

### 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

#### (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiary of CityCab Pte Ltd:</b>					
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92	46.92
<b>Subsidiary of Moove Media Pte Ltd:</b>					
Moove Media Australia Pty Ltd <sup>(7)</sup>	Provision of advertising services	Australia	100	100	100
<b>Subsidiaries of CityFleet Networks Limited:</b>					
Computer Cab (Edinburgh) Limited <sup>(26)</sup>	Inactive	United Kingdom	100	100	55.72
Computer Cab plc <sup>(18)</sup>	Provision of taxi services	United Kingdom	100	100	55.72
Computer Cab (Aberdeen) Limited <sup>(18)</sup>	Provision of taxi services	United Kingdom	100	100	55.72
Flightlink International Limited <sup>(18)</sup>	Provision of private hire services	United Kingdom	100	100	55.72
Computer Cab (Birmingham) Limited	Inactive	United Kingdom	–	–	55.72
Central Dispatch Limited <sup>(20)</sup>	Inactive	United Kingdom	100	100	55.72
Computer Cab (Liverpool) Limited <sup>(18)</sup>	Provision of taxi services	United Kingdom	100	100	55.72
Westbus Coach Services Limited <sup>(18)</sup>	Provision of coach services	United Kingdom	100	100	55.72
<b>Subsidiary of Computer Cab (Edinburgh) Limited:</b>					
Onward Travel Limited <sup>(26)</sup>	Inactive	United Kingdom	100	100	55.72
<b>Subsidiary of Computer Cab plc:</b>					
Cabcharge Limited <sup>(18)</sup>	Provision and management of taxi booking card facilities	United Kingdom	100	100	55.72

## 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

## (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of ComfortDelGro (China) Pte Ltd:</b>					
Beijing Jin Jian Taxi Services Co., Ltd <sup>(6)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	55	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd <sup>(5)</sup>	Inactive	China	80	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd <sup>(8)</sup>	Operation of a driving school	China	95	95	95
Chengdu ComfortDelGro Taxi Co., Ltd <sup>(8)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	100	100	100
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd <sup>(8)</sup>	Inactive	China	51	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd <sup>(9)</sup>	Inactive	China	100	90	90
CityCab (Shenyang) Co., Ltd <sup>(4)</sup>	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100	100
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd <sup>(8)</sup>	Provision of cars for hire	China	100	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd <sup>(10)</sup>	Provision of bus station services	China	60	60	60
Jilin ComfortDelGro Taxi Co., Ltd <sup>(11)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	97	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd <sup>(15)</sup>	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70	70

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

### 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

#### (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of ComfortDelGro (China) Pte Ltd (cont'd):</b>					
Nanjing ComfortDelGro Xixia Driver Training Co., Ltd <sup>(26) (28)</sup>	Operation of a driving school	China	60	–	–
Nanning Comfort Transportation Co., Ltd <sup>(12)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	80	80	80
Shanghai City Qi Ai Taxi Services Co., Ltd <sup>(14)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	51	51	51
Shenyang ComfortDelGro Taxi Co., Ltd <sup>(4)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	80	80	80
<b>Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:</b>					
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd <sup>(8)</sup>	Inactive	China	100	100	100
<b>Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:</b>					
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd <sup>(9)</sup>	Inactive	China	100	90	90
<b>Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:</b>					
CityLimo Leasing (M) Sdn Bhd <sup>(13)</sup>	Provision of car leasing services	Malaysia	100	100	100
Pantas Rent-A-Car Holdings Sdn Bhd <sup>(19)</sup>	Inactive	Malaysia	–	100	100
Vietnam Taxi Co., Ltd <sup>(3)</sup>	Provision of taxi services	Vietnam	70	70	70
ComfortDelGro Savico Taxi Company <sup>(20)</sup>	Inactive	Vietnam	60	60	60
<b>Subsidiary of Swan Taxis Pty Ltd:</b>					
ComfortDelGro Swan Pty Ltd <sup>(3)</sup>	Provision of taxi services	Australia	100	100	–

## 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

## (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd:</b>					
Westbus Region 1 Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
Westbus Region 3 Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
Hillsbus Co Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
Hunter Valley Buses Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Travel Pty Ltd <sup>(3) (24)</sup>	Provision of charter, coach and terminal services	Australia	100	100	55.72
CDC Victoria Pty Ltd <sup>(3)</sup>	Investment holding	Australia	100	100	55.72
Baypalm Pty Limited <sup>(3)</sup>	Investment holding	Australia	100	100	55.72
Blue Mountains Transit Pty Ltd <sup>(3)</sup>	Provision of public bus and charter services	Australia	100	100	55.72
Western Sydney Repair Centre Pty Ltd <sup>(3)</sup>	Provision of accident and other repair and maintenance services	Australia	100	51	28.42
CDC Commercial Bus Company Pty Ltd <sup>(3) (22)</sup>	Provision of public bus and charter services	Australia	100	100	55.72
FCL Holdings Pty Limited <sup>(3) (21)</sup>	Investment holding	Australia	100	–	–
National Patient Transport Pty Ltd <sup>(3) (21)</sup>	Investment holding	Australia	100	–	–
Buslink Pty Ltd <sup>(3) (21)</sup>	Investment holding	Australia	100	–	–
Buslink Southern Pty Ltd <sup>(3) (21)</sup>	Investment holding	Australia	100	–	–

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

### 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

#### (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of CDC Victoria Pty Ltd:</b>					
CDC Sunshine Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Geelong Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Oakleigh Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Wyndham Pty Ltd <sup>(3) (23)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Altona Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Ballarat Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Eastrans Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72
CDC Tullamarine Pty Ltd <sup>(3) (21)</sup>	Provision of public bus services	Australia	100	–	–
<b>Subsidiary of Baypalm Pty Limited:</b>					
Qcity Transit Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	100	100	55.72

**36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)****(a) Subsidiaries (cont'd)**

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of National Patient Transport Pty Ltd:</b>					
National Patient Transport NSW Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport Qld Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport WA Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport SA Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–
NPT Heart Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–
Platinum Healthcare Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport Vic Pty Ltd <sup>(3) (21)</sup>	Provision for non-emergency transport services to patients	Australia	100	–	–

## NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

### 36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

#### (a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Subsidiaries of FCL Holdings Pty Ltd:</b>					
FCL Finance Pty Limited <sup>(3) (21)</sup>	Provision of public bus services	Australia	100	–	–
Forest Coach Lines Pty Limited <sup>(3) (21)</sup>	Provision of public bus services	Australia	100	–	–
Terry Hills Depot Holdings Pty Ltd <sup>(3) (21)</sup>	Investment holding	Australia	100	–	–
<b>Subsidiaries of Buslink Pty Ltd and Buslink Southern Pty Ltd:</b>					
Buslink Gladstone Pty Ltd <sup>(3) (21)</sup>	Provision of public bus and charter services	Australia	100	–	–
Buslink Sunshine Coast Pty Ltd <sup>(3) (21)</sup>	Provision of public bus and charter services	Australia	100	–	–
Buslink Broken Hill Pty Ltd <sup>(3) (21)</sup>	Provision of public bus and charter services	Australia	100	–	–
Buslink Sunraysia Pty Ltd <sup>(3) (21)</sup>	Provision of public bus and charter services	Australia	100	–	–
Tropic Sun Pty Ltd <sup>(3) (21)</sup>	Investment holding	Australia	100	–	–
<b>Subsidiaries of Buslink Pty Ltd:</b>					
Buslink NT Pty Ltd <sup>(3) (21)</sup>	Provision of public bus and charter services	Australia	100	–	–
Buslink Alice Springs Pty Ltd <sup>(3) (21)</sup>	Provision of public bus and charter services	Australia	100	–	–



**36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)****(a) Subsidiaries (cont'd)**

Note:

All Singapore companies (except for SBS Guangzhou Pte Ltd) are audited by Deloitte & Touche LLP, Singapore except for certain subsidiaries as indicated below.

- (1) Audited by WT Ng & Co, Malaysia.
- (2) Audited by Jiangu Gongzheng Tianye Certified Public Accountants Co., Ltd, China.
- (3) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.
- (4) Audited by Reanda Certified Public Accountants (Special General Partnership) Liaoning Branch, China.
- (5) Audited by Beijing Zhong Jia Run Certified Public Accountants Co., Ltd, China.
- (6) Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.
- (7) Audited by LBW & Partners, Australia.
- (8) Audited by Sichuan Gongming Certified Public Accountants Co., Ltd, China.
- (9) Audited by Chongqing TianHua Certified Public Accountants Co., Ltd, China. ComfortDelGro (China) Pte Ltd held 90% and Chengdu ComfortDelGro Taxi Co. Ltd held 10%.
- (10) Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
- (11) Audited by Jilin Hua Tai Certified Public Accountants Co., Ltd, China.
- (12) Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.
- (13) Audited by Bahudin & Associates, Malaysia.
- (14) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.
- (15) Audited by Ruihua Certified Public Accountants Co., Ltd, China.
- (16) Audited by Ethics Plus Public Accountants, United Arab Emirates.
- (17) Audited by Broomfield Alexander, United Kingdom.
- (18) Audited by Wilkins Kennedy LLP, United Kingdom.

Other information

- (19) Struck off during the financial year.
- (20) In the process of being struck off.
- (21) Acquired during the financial year.
- (22) Previously known as CDC NSW Region 6 Pty Ltd.
- (23) Previously known as CDC Werribee Pty Ltd.
- (24) Previously known as Charterplus Pty Ltd.
- (25) The Company has acquired the remaining shares during the year. Accordingly, ComfortDelGro Insurance Brokers Pte Ltd is now a wholly-owned subsidiary of the Company.
- (26) These subsidiaries are insignificant and unaudited.
- (27) Listed on the Singapore Exchange Securities Trading Limited.
- (28) Incorporated during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)****(a) Subsidiaries (cont'd)*****Compliance with Listing Rules:***

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations. In accordance to Rule 716, the Audit and Risk Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

**(b) Associates**

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
<b>Unquoted equity shares</b>					
Phillip Boyle & Associates Pty Ltd <sup>(1)</sup>	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49	49
Gobbler Pte Ltd <sup>(2)</sup>	Sales of goods bartered from the provision of advertising services	Singapore	40	40	40

Note:

<sup>(1)</sup> Audited by Complete Audit Pty Ltd, Australia. The associate is insignificant.

<sup>(2)</sup> The associate is insignificant and unaudited.

**(c) Related company transactions**

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

### 37. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these Financial Statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, the Group's entities entered into the following trading transactions with related parties:

	The Group	
	2018 \$'mil	2017 \$'mil
Expenses	–	1.2

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

### 38. ACQUISITIONS OF NEW SUBSIDIARIES

On 7 August 2018, the Group acquired 100% of the issued share capital of FCL Holdings Pty Limited ("FCL") for cash consideration of \$131.5 million. This transaction has been accounted for by the acquisition method of accounting.

FCL is an entity incorporated in Australia with its principal activity being provider of transport services, namely bus, school and non-school charter services. The Group acquired FCL primarily for expansion of its bus operations in New South Wales.

On 5 November 2018, the Group acquired 100% of the issued share capital of Buslink Pty Ltd and Buslink Southern Pty Ltd ("the Buslink Companies") for cash consideration of \$192.5 million. This transaction has been accounted for by the acquisition method of accounting.

The Buslink Companies are entities incorporated in Australia with principal activities being provider of transport services, namely public bus, school bus and charter bus services. The Group acquired the Buslink Companies primarily to extend its footprint into the Northern Territory and Queensland markets and also strengthen its bus operations in New South Wales and Victoria.

During the year, the Group acquired issued share capital of other entities such as ComfortDelGro Insurance Brokers Pte Ltd ("CDGI"), National Patient Transport Pty Ltd ("NPT"), CDC Tullamarine Pty Ltd ("TBL"), ComfortDelGro Swan Pty Ltd ("CDGS") and New Adventure Travel Limited ("NAT") for cash consideration of \$103.6 million. These transactions have been accounted for by the acquisition method of accounting.

CDGI is an entity incorporated in Singapore with its principal activity being provider of insurance broking, risk management, claims management and related services. The Group acquired CDGI primarily to reduce the insurance premium for taxi fleets and enhance insurance benefits for taxi fleets.

NPT, TBL and CDGS are entities incorporated in Australia with principal activities being provider of repair and maintenance services, non-emergency patient transport, transport services and taxi plate management respectively. NAT is an entity incorporated in the United Kingdom with principal activity being provider of public bus and coach services. The Group acquired these entities primarily for expansion.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****38. ACQUISITIONS OF NEW SUBSIDIARIES (cont'd)****Consideration transferred (at acquisition date fair values)**

	<b>2018</b>
	<b>\$'mil</b>
FCL	131.5
The Buslink Companies	192.5
Others	103.6
<b>Total</b>	<b>427.6</b>

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "Other operating costs" line item in the Group Income Statement.

**Assets acquired and liabilities assumed at the date of acquisition**

	<b>2018</b>
	<b>\$'mil</b>
Current assets	108.4
Non-current assets	158.2
Current liabilities	(96.3)
Non-current liabilities	(24.3)
<b>Net assets acquired and liabilities assumed</b>	<b>146.0</b>
<b>Goodwill arising on acquisitions</b>	<b>281.6</b>

Of the \$146.0 million net assets acquired and liabilities assumed, 39.0% and 38.9% relates to FCL and The Buslink Companies respectively.

Goodwill arose in the acquisitions because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Of the \$281.6 million goodwill arising from acquisitions, \$257.6 million relates to provisional goodwill for certain acquisitions. The finalisation of the goodwill amount is dependent on the completion of the valuation of net assets acquired.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

**Net cash outflow on acquisition of subsidiaries**

	<b>2018</b>
	<b>\$'mil</b>
Consideration paid in cash	427.6
Less: Cash and cash equivalent balances acquired	(8.8)
	<b>418.8</b>

**Impact of acquisitions on the results of the Group**

Had the business combination during the year been effected at 1 January 2018, the operating profit of the Group from continuing operations would have been \$465.5 million.

### 39. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the SFRS(I)s, that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018.

The Group has adopted a new financial reporting framework, SFRS(I)s on 1 January 2018 and has prepared its financial information under SFRS(I)s for the year ended 31 December 2018. In adopting SFRS(I)s, the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's and Company's opening Statements of Financial Position under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

The Group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. As a result, a cumulative foreign currency translation loss of \$125.5m was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

In accordance with the requirements of SFRS(I) 1 effective for the financial year beginning on or after 1 January 2018, the Group has adopted SFRS(I) 15 *Revenue from Contracts with Customers* retrospectively.

The effect of the initial application of SFRS(I) 15 are presented and explained below.

Group Income Statement for the year ended 31 December 2017

	As previously reported \$'mil	Adoption of SFRS(I) 15 \$'mil	Note	As restated \$'mil
Revenue	3,970.9	(394.5)	(a),(b)	3,576.4
Contract services	(521.9)	363.4	(b)	(158.5)
Taxi drivers' benefits	(43.8)	43.8	(a)	-
Other operating costs	(63.0)	(12.7)	(a)	(75.7)
Other costs	(2,933.0)	-		(2,933.0)
Operating Profit	409.2	-		409.2

Explanatory Notes:

- (a) Certain benefits and incentives payable to taxi drivers, previously accounted for as taxi drivers' benefits, are within the scope of SFRS(I) 15. Under SFRS(I) 15, such incentives and benefits are treated as variable consideration, and effectively reduce the amount of revenue recognised. The remaining taxi drivers' benefits are reclassified to Other operating costs.
- (b) Under SFRS(I) 15, the Group assessed that it acts as an agent in the delivery of certain contract services. Accordingly the Group recognises as revenue the net fee which it is entitled to, in exchange for arranging for the delivery of such services.

The transition to SFRS(I) and the initial application of SFRS(I) 15 have no impact to the Group Operating Profit and the Group Cash Flow Statement. The adoption of SFRS(I)s has no material impact on the Group's Financial Statements.

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****40. GROUP PROPERTIES**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE</b>					
ComfortDelGro Corporation Limited	100	Braddell Road	66,445 sq m	30 years 7 years 8 months unexpired	Head office, bus depot, vehicle workshop
SBS Transit Ltd	74.48	Soon Lee Road	26,670 sq m	30 years 11 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.48	Defu Ave 1	74,236 sq m	38 years from 1 January 1983 2 years unexpired	Bus depot
SBS Transit Ltd	74.48	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	74.48	Bukit Batok Street 23	52,187 sq m	43 years from 1 January 1983 7 years unexpired	Bus depot
SBS Transit Ltd	74.48	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	74.48	Ang Mo Kio Street 63	63,955 sq m	26 years from 1 March 1994 1 years 2 months unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 22 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years 8 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	No. 511 Bukit Batok Street 23	9,625 sq m	30 years October 1995 with option to renew another 30 years 6 years 9 months unexpired	Inspection, testing and assessment services
VICOM Ltd	67.06	Changi North Crescent	6,015 sq m	30 years from May 1995 6 years 4 months unexpired	Inspection services

**40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE (cont'd)</b>					
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from 1983 24 years 6 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 24 years 6 months unexpired	Inspection services
Setsco Services Pte Ltd	67.06	No. 531 Bukit Botok Street 23	7,554.5 sq m	7 years from October 2018 with option renew another 30 years 6 years 9 months unexpired	Testing, inspection and consultancy services
JIC Inspection Services Pte Ltd	52.31	Pioneer Road	9,190 sq m	30 years from December 1994 5 years 11 months unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.31	Ang Mo Kio Street 63	2,145 sq m	3 years from March 2014 renewed for another 3 years from March 2017 1 year 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	19,523 sq m	60 years 16 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	24,499 sq m	30 years 4 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 33 years 4 months unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 6 years 9 months unexpired	Workshop, diesel kiosk

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE (cont'd)</b>					
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 7 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 30 years 2 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	17 years 3 years 9 months unexpired	Workshop, diesel kiosk
<b>CHINA</b>					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 9 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 30 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 24 years unexpired	Staff residence
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 15 years unexpired	Office
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 37 years 8 months unexpired	Office
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	95	Wen Jia Red Mill Village Chengdu	113,334 sq m	10 years 4 years unexpired	Driving test centre
Jilin ComfortDelGro Taxi Co., Ltd	97	Cheng Nan Street Jilin City High-tech Zone	18,013.55 sq m	50 years 44 years unexpired	Office



**40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>UNITED KINGDOM</b>					
Computer Cab plc	100	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	100	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 1 year and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	100	Falkland Street Liverpool L3 8HB	610 sq m	99 years 79 years 7 months unexpired	Office, fleet dept
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	5 years 1 month unexpired	Office, fitting bay
Metroline Limited	100	Pemberton Gardens Holloway London N19 5RR	17,968 sq m	Freehold	Bus depot
Metroline Limited	100	Edgware Road Cricklewood London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline West Limited	100	Ealing Road Wembley HA0 4LL	4,996 sq m	Freehold	Bus depot
New Adventure Travel Limited	100	Coaster Place Cardiff CF10 4XZ	6,070 sq m	Freehold	Bus depot
New Adventure Travel Limited	100	Brecon Road, Abercrave Swansea SA9 1TN	6,070 sq m	Freehold	Workshop

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA</b>					
Westbus Region 1 Pty Ltd	100	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	100	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Arnott Street Edgeworth NSW	16,600 sq m	Freehold	Bus depot

**40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA (cont'd)</b>					
ComfortDelGro Corporation Australia Pty Ltd	100	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Corporation Australia Pty Ltd	100	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA (cont'd)</b>					
ComfortDelGro Corporation Australia Pty Ltd	100	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Prosperity Drive Truganina Victoria	40,764 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot & Offices
CDC Ballarat Pty Ltd	100	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
Buslink Pty Ltd	100	Lyons St Gladstone QLD	6,510 sq m	Freehold	Bus depot & office
Buslink Pty Ltd	100	Bartlett St Noosaville QLD	8,942 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Page St Kunda Park QLD	12,808 sq m	Freehold	Bus depot & Head office

**40. GROUP PROPERTIES (cont'd)**

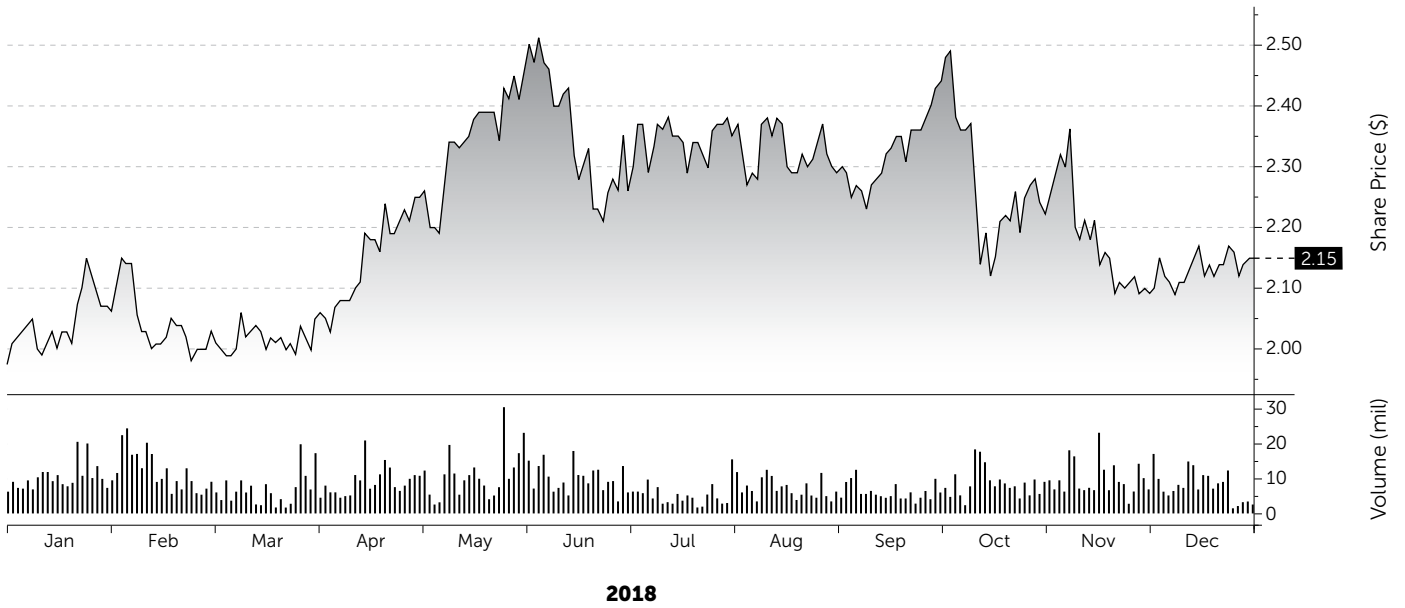
Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA (cont'd)</b>					
Buslink Pty Ltd	100	Link Cres Coolum QLD	2,570 sq m	Freehold	Bus parking
Buslink Pty Ltd	100	Enterprise St Caloundra QLD	4,052 sq m	Freehold	Bus parking
Buslink Pty Ltd	100	Pruen Road Berrimah NT	14,100 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Berrimah Road Berrimah NT	10,117 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Challoner Road Humpty Doo NT	19,800 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Tapio Avenue Dareton NSW	1,182 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Arthur Street Wentworth NSW	4,034 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Corner Bathurst Street & Sandown Drive, Mildura VIC	12,543 sq m	Freehold	Bus depot
Buslink NT Pty Ltd	100	Town of Jabiru NT	3,370 sq m	15 years from February 2006 2 years 6 months unexpired	Bus depot

**NOTES TO THE FINANCIAL STATEMENTS****31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

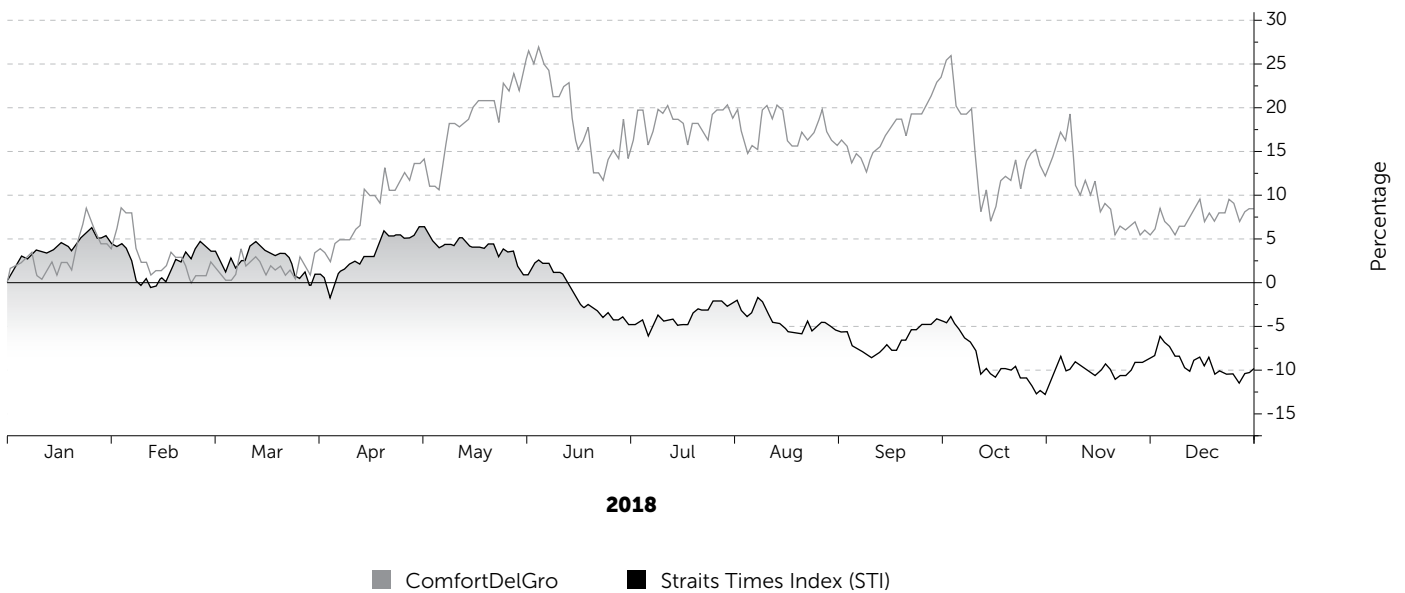
Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA (cont'd)</b>					
Forest Coach Lines Pty Limited	100	Newcastle Drive Toormina NSW	15,100 sq m	Freehold	Bus depot including office building & caretakers cottage
Forest Coach Lines Pty Limited	100	Mona Vale Rd Myoora Rd Terrey Hills NSW	16,920 sq m	Freehold	Bus depot & office
Forest Coach Lines Pty Limited	100	Hurley Dr, Coffs Harbour NSW	5,363 sq m	5 years 2 years 11 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Hawke Drive Woolgoolga NSW	4,072 sq m	5 years 2 years 11 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Inman, Cromer Woolgoolga NSW	2,000 sq m	2 years 1 year 2 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Ugoa St Narrabri NSW	1,037 sq m	5 years 3 years 8 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Rose St We Waa NSW	1,682 sq m	5 years 3 years 8 months unexpired	Bus depot & office
<b>VIETNAM</b>					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh – TP Ho Chi Minh City	6,438 sq m	20 years 2 years unexpired	Office, workshop
<b>MALAYSIA</b>					
Setsco Services (M) Sdn Bhd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 89 years 11 months unexpired	Testing, inspection, consultancy services
CityLimo Leasing (M) Sdn Bhd	100	47500 Subang Jaya Industrial Estate Selangor Darul Ehsan	1,022 sq m	2 years 4 months unexpired	Office, workshop

# SHARE PRICE MOVEMENT CHART

ComfortDelGro's Share Price Movement and Volume Turnover



Comparison of Performance of ComfortDelGro's Share Price and Straits Times Index (STI)



Source: Bloomberg Finance L.P.

## SHAREHOLDING STATISTICS

### AS AT 28 FEBRUARY 2019

No. of Shares Issued	:	2,165,482,663
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	936	2.53	34,737	0.00
100 – 1,000	3,073	8.29	2,244,079	0.10
1,001 – 10,000	18,359	49.56	83,999,833	3.88
10,001 – 1,000,000	14,644	39.53	324,746,030	15.00
1,000,001 & above	32	0.09	1,754,457,984	81.02
<b>Total</b>	<b>37,044</b>	<b>100.00</b>	<b>2,165,482,663</b>	<b>100.00</b>

Top Twenty Shareholders		No. of Shares	%
1	DBS Nominees Pte Ltd	557,858,966	25.76
2	Citibank Nominees Singapore Pte Ltd	536,024,049	24.75
3	DBSN Services Pte Ltd	277,326,993	12.81
4	HSBC (Singapore) Nominees Pte Ltd	136,646,496	6.31
5	Raffles Nominees (Pte) Limited	51,451,061	2.37
6	BPSS Nominees Singapore (Pte.) Ltd.	46,701,642	2.16
7	United Overseas Bank Nominees Pte Ltd	36,934,418	1.71
8	Morgan Stanley Asia (S) Securities Pte Ltd	17,998,169	0.83
9	OCBC Nominees Singapore Pte Ltd	17,902,912	0.83
10	Changi Bus Company (Private) Limited	9,024,095	0.42
11	Yim Chee Chong	8,115,500	0.37
12	OCBC Securities Private Ltd	7,534,986	0.35
13	Estate of Kua Hong Pak, Deceased	7,524,530	0.35
14	DB Nominees (Singapore) Pte Ltd	5,416,267	0.25
15	Merrill Lynch (Singapore) Pte Ltd	5,222,761	0.24
16	Societe Generale Spore Branch	3,272,601	0.15
17	Choo Chek Siew	3,260,000	0.15
18	Phillip Securities Pte Ltd	3,150,242	0.15
19	Heng Siew Eng	2,974,200	0.14
20	DBS Vickers Securities (S) Pte Ltd	2,703,014	0.12
<b>Total</b>		<b>1,737,042,902</b>	<b>80.22</b>



**SHAREHOLDING STATISTICS****AS AT 28 FEBRUARY 2019****SUBSTANTIAL SHAREHOLDERS (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)**

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
BlackRock, Inc.	–	–	150,481,453 <sup>(1)</sup>	6.95
The PNC Financial Services Group, Inc.	–	–	150,481,453 <sup>(1)</sup>	6.95

Notes:

- <sup>(1)</sup> BlackRock, Inc. is deemed to have an interest in 150,481,453 shares of ComfortDelGro Corporation Limited held by its subsidiaries. The PNC Financial Services Group, Inc. through its ownership of more than 20% of BlackRock, Inc. is deemed to have an interest in 150,481,453 shares of ComfortDelGro Corporation Limited held by the subsidiaries of BlackRock, Inc.

As at 28 February 2019, approximately 92.68% of the issued ordinary shares of ComfortDelGro Corporation Limited is in the hands of the public. Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

# NOTICE OF ANNUAL GENERAL MEETING

## ComfortDelGro Corporation Limited

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting\* of the Company will be held on Friday, 26 April 2019 at 10.00 a.m. at:

### AUDITORIUM

**SINGAPORE CHINESE CULTURAL CENTRE**

**1 STRAITS BOULEVARD**

**SINGAPORE 018906**

The Annual General Meeting ("AGM") is for the purpose of transacting the following business:

### ORDINARY BUSINESS:

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the Financial Year ended 31 December 2018 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 6.15 cents per ordinary share in respect of the Financial Year ended 31 December 2018. **(Resolution 2)**
3. To approve the payment of Directors' fees of \$882,906 for the Financial Year ended 31 December 2018. (FY2017: \$768,118) **(Resolution 3)**
4. To re-elect Mr Lim Jit Poh, a Director retiring pursuant to Regulation 93 of the Company's Constitution. [Please refer to Explanatory Note (a)] **(Resolution 4)**
5. To re-elect Ms Sum Wai Fun, Adeline, a Director retiring pursuant to Regulation 93 of the Company's Constitution. [Please refer to Explanatory Note (b)] **(Resolution 5)**
6. To note that Mr Wong Chin Huat, David, will be retiring pursuant to Regulation 93 of the Company's Constitution and he will not be seeking re-election at this AGM.
7. To re-elect Mr Chiang Chie Foo, a Director retiring pursuant to Regulation 99 of the Company's Constitution. [Please refer to Explanatory Note (c)] **(Resolution 6)**
8. To re-elect Professor Ooi Beng Chin, a Director retiring pursuant to Regulation 99 of the Company's Constitution. [Please refer to Explanatory Note (d)] **(Resolution 7)**
9. To re-elect Ms Jessica Cheam, a Director retiring pursuant to Regulation 99 of the Company's Constitution. [Please refer to Explanatory Note (e)] **(Resolution 8)**
10. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 9)**

\* Light refreshments will be served after the Annual General Meeting

**SPECIAL BUSINESS:**

To consider and, if thought fit, to pass the following Resolutions as Ordinary Resolutions:

**11. Authority to issue shares under the ComfortDelGro Executive Share Award Scheme (Resolution 10)**

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised to offer and grant awards ("Awards") in accordance with the provisions of the ComfortDelGro Executive Share Award Scheme ("Scheme") and to allot and issue from time to time such number of fully-paid Shares as may be required to be issued pursuant to the vesting of the Awards under the Scheme, provided that the aggregate number of Shares to be allotted and issued pursuant to the Scheme, when added to the number of Shares issued and issuable in respect of all Awards, and all Shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed two per centum (2%) of the total issued Shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

*(Note: The Scheme was approved at the AGM held on 26 April 2018)* [Please refer to Explanatory Note (f)]

**12. Renewal of Share Buyback Mandate (Resolution 11)**

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore) (the "Companies Act"), the exercise by the Directors of the Company ("Directors") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "Shares") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) market purchase(s) (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchase(s) (each an "Off-Market Purchase") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the Constitution of the Company, the provisions of the Companies Act and the Listing Manual of the SGX-ST ("Listing Manual") as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Buyback Mandate");

**NOTICE OF ANNUAL GENERAL MEETING**

- (b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM is held or required by law to be held;
  - (ii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by the Company in general meeting; and
  - (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“Maximum Limit” means that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent (110%) of the Average Closing Price,

where:

“Relevant Period” means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

“Average Closing Price” means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) Market Days (a “Market Day” being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“Day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buyback Mandate in any manner as they think fit, which is permitted under the Act and the Company's Constitution; and
- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

(Note: The Mandate was given at the AGM held on 26 April 2018) [Please refer to Explanatory Note (g)]

### **BOOKS CLOSURE AND DIVIDEND PAYMENT DATES**

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 8 May 2019 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 6.15 cents per ordinary share for the Financial Year ended 31 December 2018.

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 2019 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 2019 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Sixteenth Annual General Meeting of the Company, will be paid on 14 May 2019.

By Order of the Board

Chan Wan Tak, Wendy  
Yeo Tee Yeok, Edwin  
Joint Company Secretaries  
Singapore  
27 March 2019

## NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 72 hours before the time appointed for holding the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

### Explanatory Notes

- (a) Ordinary Resolution 4. Mr Lim Jit Poh, if re-elected<sup>1</sup>, will continue to serve as Chairman of the Board, Chairman of both the Nominating Committee and Investment Committee and a Member of the Remuneration Committee.
- (b) Ordinary Resolution 5. Ms Sum Wai Fun, Adeline, if re-elected<sup>1</sup>, will continue to serve as Chairman of the Audit and Risk Committee and a Member of the Remuneration Committee. Ms. Sum is considered to be independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.
- (c) Ordinary Resolution 6. Mr Chiang Chie Foo, if re-elected<sup>1</sup>, will continue to serve as a Member of the Audit and Risk Committee and the Nominating Committee. Mr. Chiang is considered to be independent for the purposes of Rule 704(8) of the Listing Manual of SGX-ST.

1. Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors", "Directors' Particulars" and "Additional Information on Directors Seeking Re-election" in the 2018 Annual Report of the Company.

- (d) Ordinary Resolution 7. Professor Ooi Beng Chin, if re-elected<sup>1</sup>, will continue to serve as a Member of the Remuneration Committee and the Investment Committee.
- (e) Ordinary Resolution 8. Ms Jessica Cheam, if re-elected<sup>1</sup>, will continue to serve as a Member of the Nominating Committee and the Investment Committee.
- (f) Ordinary Resolution 10, if passed, will empower the Directors to offer and grant Awards under the Scheme in accordance with the provisions of the Scheme and to issue from time to time such number of fully paid Shares as may be required to be issued pursuant to the vesting of the Awards subject to the maximum number of Shares prescribed under the terms and conditions of the Scheme. The aggregate number of Shares which may be issued pursuant to the Scheme and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the Scheme) two per centum (2%) of the total number of issued Shares (excluding treasury shares) from time to time.
- (g) Ordinary Resolution 11 if passed, will renew the Share Buyback Mandate, and empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) Shares on the terms of the Share Buyback Mandate as set out in the Appendix to this Notice (the "Appendix"), which is available at [www.comfortdelgro.com](http://www.comfortdelgro.com).

The Company may use internal and external sources of funds to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect on the listing status of the Shares on the SGX-ST, liquidity and/or the orderly trading of the Shares and/or the financial position of the Company and its subsidiaries (collectively, the "Group"). The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased, whether the Shares are purchased or acquired out of capital or profits, the purchase prices paid at the relevant times, and whether the Shares purchased or acquired are held in treasury or cancelled.

The Maximum Price which may be paid for the Shares in Off-Market Purchases as set out in Ordinary Resolution 11, paragraph (c) has been reduced from 120% of the Average Closing Price of the Shares (as approved in the Mandate given at the AGM held on 26 April 2018) to 110% of the Average Closing Price.

The rationale for the Share Buyback Mandate, the source of funds to be used for the Share Buyback Mandate, the impact of the Share Buyback Mandate on the Company's financial position, the implications arising as a result of the Share Buyback Mandate under The Singapore Code on Take-overs and Mergers and on the listing of the Company's Shares on the SGX-ST are set out in the Appendix, which is enclosed together with this Notice.

An illustration of the total number of Shares which may be purchased or acquired by the Company up to the Maximum Limit, pursuant to the Share Buyback Mandate, is contained in section 3.2.1 of the Appendix.

An illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Limit at the relevant Maximum Price in the case of Market Purchases and an illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Limit at the relevant Maximum Price in the case of Off-Market Purchases, pursuant to the Share Buyback Mandate, are contained in section 3.5.2(b) of the Appendix.

An illustration of the financial impact of the purchase or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate on the Audited Financial Statements of the Group for the Financial Year ended 31 December 2018 is set out in the Appendix.

1. Detailed information on the Directors who are proposed to be re-elected can be found under the sections entitled "Board of Directors", "Directors' Particulars" and "Additional Information on Directors Seeking Re-election" in the 2018 Annual Report of the Company.

## ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

The following additional information on Mr Lim Jit Poh, Mr Chiang Chie Foo, Professor Ooi Beng Chin, Ms Sum Wai Fun, Adeline and Ms Jessica Cheam, all of whom are seeking re-election as Directors at the 16th Annual General Meeting, is to be read in conjunction with their respective biographies on pages 24 to 29.

	<b>LIM JIT POH Chairman (Non-Executive &amp; Independent Director)</b>	<b>CHIANG CHIE FOO (Non-Executive &amp; Independent Director)</b>
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment	Mr Lim, who is the founding Chairman, has deep institutional knowledge and business experience with the Group. His leadership will continue to enhance board deliberations and set the direction for growth.	Mr Chiang's vast experience in the Civil Service will enhance board deliberations and contribute towards the core competencies of the Board.
Working experience and occupations(s) during the past 10 years	<p><b>2009 – 2018</b> Chairman of ComfortDelGro Corporation Limited, its listed subsidiaries, SBST Transit Ltd and VICOM Ltd and unlisted subsidiaries of the ComfortDelGro Group. Mr Lim's principal directorships of the ComfortDelGro Group can be found under the section entitled "Directors' Particulars" in the 2018 Annual Report.</p> <p>Chairman of other listed companies:</p> <ul style="list-style-type: none"> <li>• Ascott Residence Trust Management Ltd (till 2016)</li> <li>• China Printing &amp; Dyeing Holding Limited (till 2012)</li> <li>• Eng Kong Holdings Limited (till 2010)</li> </ul> <p>Director of Maybank Kim Eng Holdings Limited (till 2013)</p> <p>Director of other unlisted companies:</p> <ul style="list-style-type: none"> <li>• Family Leisure Pte Ltd</li> <li>• NCI Golf Pte Ltd</li> <li>• PasirRis Resort Pte Ltd</li> <li>• SLF Leisure Enterprises (Pte) Ltd</li> <li>• Surbana Property Investment Pte Ltd</li> <li>• CapitaLand Township Development Fund Pte Ltd</li> <li>• CapitaLand Township Development Fund II Pte Ltd</li> </ul>	<p><b>2009 – 2018</b> PUB, Singapore's National Water Agency – Chairman (since 2017)</p> <p>Epworth Community services – Board Member (since 2017)</p> <p>Ascendas Property Fund Trustee Pte Ltd (Manager of Ascendas India Trust*) – Chairman (since 2016)</p> <p>Valencia Club De Futbol – Director (since 2014)</p> <p>Ministry of Defence – Senior Advisor (since 2013)</p> <p>Central Provident Fund Board – Chairman (since 2013)</p> <p>Ministry of Defence – Permanent Secretary (till 2013)</p> <p>Prime Minister's Office – Permanent Secretary (till 2011)</p> <p>Lee Kuan Yew Exchange fellowship – Director (since 2004)</p> <p>Asia Pacific Breweries Foundation – Trustee Member (since 1997)</p> <p>Rowsley Ltd* – Chairman (2014 – 2015)</p> <p>* Listed Company</p>



**OOI BENG CHIN**  
(Non-Executive &  
Independent Director)

Singapore

Prof Ooi's extensive knowledge in information technology with special focus on Big Data and Artificial Intelligence will help Management steer towards the Group's growth vision.

**2009 – 2018**

Distinguished Professor of Computer Science, Faculty Member of NUS Graduate School

Director of Smart Systems Institute at National University of Singapore

Adjunct Chang Jiang Professor at Zhejiang University, China

**SUM WAI FUN, ADELIN**  
(Non-Executive &  
Independent Director)

Singapore

Ms Sum has vast experience in business management, labour movement and deep knowledge of the Group which will continue to enhance board deliberations and contribute towards the core competencies of the Board.

**2009 – 2018**

Chief Executive Officer (CEO) of Singapore Labour Foundation (till 2015 and since 2019)

Managing Director of NTUC Fairprice Co-operative Limited (since 2016)

Deputy CEO of NTUC Enterprise Co-operative Limited (since 2017)

Chief Development Officer of NTUC Enterprise Co-operative Limited (2013- 2015)

CEO of Mercatus Co-operative Limited (2016)

CEO of NTUC Choice Homes Co-operative Limited (2012 – 2016)

**JESSICA CHEAM**  
(Non-Executive &  
Independent Director)

Singapore

Ms Cheam's experience and in-depth knowledge of sustainability issues will provide greater balance and diversity of skills, experience and knowledge and contribute towards the core competencies of the Board.

**2018**

Strategic Advisor, Blue Planet Environmental Solutions

**2014 – 2018**

Managing Editor, Eco-Business  
Adjunct Research Associate, Centre for Liveable Cities, Singapore  
Columnist, The Straits Times and TODAY newspaper

**2012 – 2014**

Political Correspondent, The Straits Times

**2010 – 2012**

Housing and Environment Correspondent, The Straits Times

**2006 – 2010**

Correspondent, Money Desk, The Straits Times

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION**

	<b>LIM JIT POH Chairman (Non-Executive &amp; Independent Director)</b>	<b>CHIANG CHIE FOO (Non-Executive &amp; Independent Director)</b>
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: ComfortDelGro Corporation Limited – 244,425 VICOM – 190,000	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes or No)	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

<b>OOI BENG CHIN (Non-Executive &amp; Independent Director)</b>	<b>SUM WAI FUN, ADELINE (Non-Executive &amp; Independent Director)</b>	<b>JESSICA CHEAM (Non-Executive &amp; Independent Director)</b>
No	Direct interest in ComfortDelGro Corporation Limited – 240,000	No
No	No	No
No	No	No
Yes	Yes	Yes
No	No	No
No	No	No
No	No	No

**ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION**

	<b>LIM JIT POH Chairman (Non-Executive &amp; Independent Director)</b>	<b>CHIANG CHIE FOO (Non-Executive &amp; Independent Director)</b>
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

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**OOI BENG CHIN**  
**(Non-Executive &**  
**Independent Director)**

**SUM WAI FUN, ADELINE**  
**(Non-Executive &**  
**Independent Director)**

**JESSICA CHEAM**  
**(Non-Executive &**  
**Independent Director)**

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No

No

No

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No

No

No

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No

No

No

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No

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No

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**ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION**


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	<b>LIM JIT POH Chairman (Non-Executive &amp; Independent Director)</b>	<b>CHIANG CHIE FOO (Non-Executive &amp; Independent Director)</b>
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or		
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or		
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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**OOI BENG CHIN**  
**(Non-Executive & Independent Director)**

**SUM WAI FUN, ADELINE**  
**(Non-Executive & Independent Director)**

**JESSICA CHEAM**  
**(Non-Executive & Independent Director)**

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No

No

No

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No

No

No

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No

No

No

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# COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Co. Reg. No.: 200300002K)

## PROXY FORM ANNUAL GENERAL MEETING

### IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who intend to exercise the voting rights attached to their ComfortDelGro Corporation Limited shares purchased using their CPF monies are requested to contact their respective CPF Approved Nominees.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 27 March 2019.

I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport Number)

of \_\_\_\_\_ (Address)

being a member/members of ComfortDelGro Corporation Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholding (%) (Note 2)

and/or (delete as appropriate)

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or failing him/them, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held on Friday, 26 April 2019 and at any adjournment thereof. I/We direct my/ our proxy/proxies to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AGM.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
<b>Ordinary Business</b>			
1.	Adoption of Directors' Statement and Audited Financial Statements		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Mr Lim Jit Poh as Director		
5.	Re-election of Ms Sum Wai Fun, Adeline as Director		
6.	Re-election of Mr Chiang Chie Foo as Director		
7.	Re-election of Professor Ooi Beng Chin as Director		
8.	Re-election of Ms Jessica Cheam as Director		
9.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
<b>Special Business</b>			
10.	Authority to issue shares under the ComfortDelGro Executive Share Award Scheme		
11.	Renewal of Share Buyback Mandate		

\* Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of shares in the boxes provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

**Total Number of Shares Held (Note 1)**

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

### IMPORTANT: PLEASE READ NOTES OVERLEAF

Should a member wish to receive acknowledgement of receipt of the Proxy Form from the Company, please provide your email address and/or mobile phone number.

Email Address: \_\_\_\_\_ Mobile Phone No: \_\_\_\_\_

**LIGHT REFRESHMENTS WILL BE SERVED AFTER THE AGM**

**NOTES:**

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
  2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.  
  
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. A proxy need not be a member of the Company.
  4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
  5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 72 hours before the time set for the Annual General Meeting.
  6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
  7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
  8. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix  
postage  
stamp

**THE COMPANY SECRETARY**  
ComfortDelGro Corporation Limited  
205 Braddell Road  
Singapore 579701

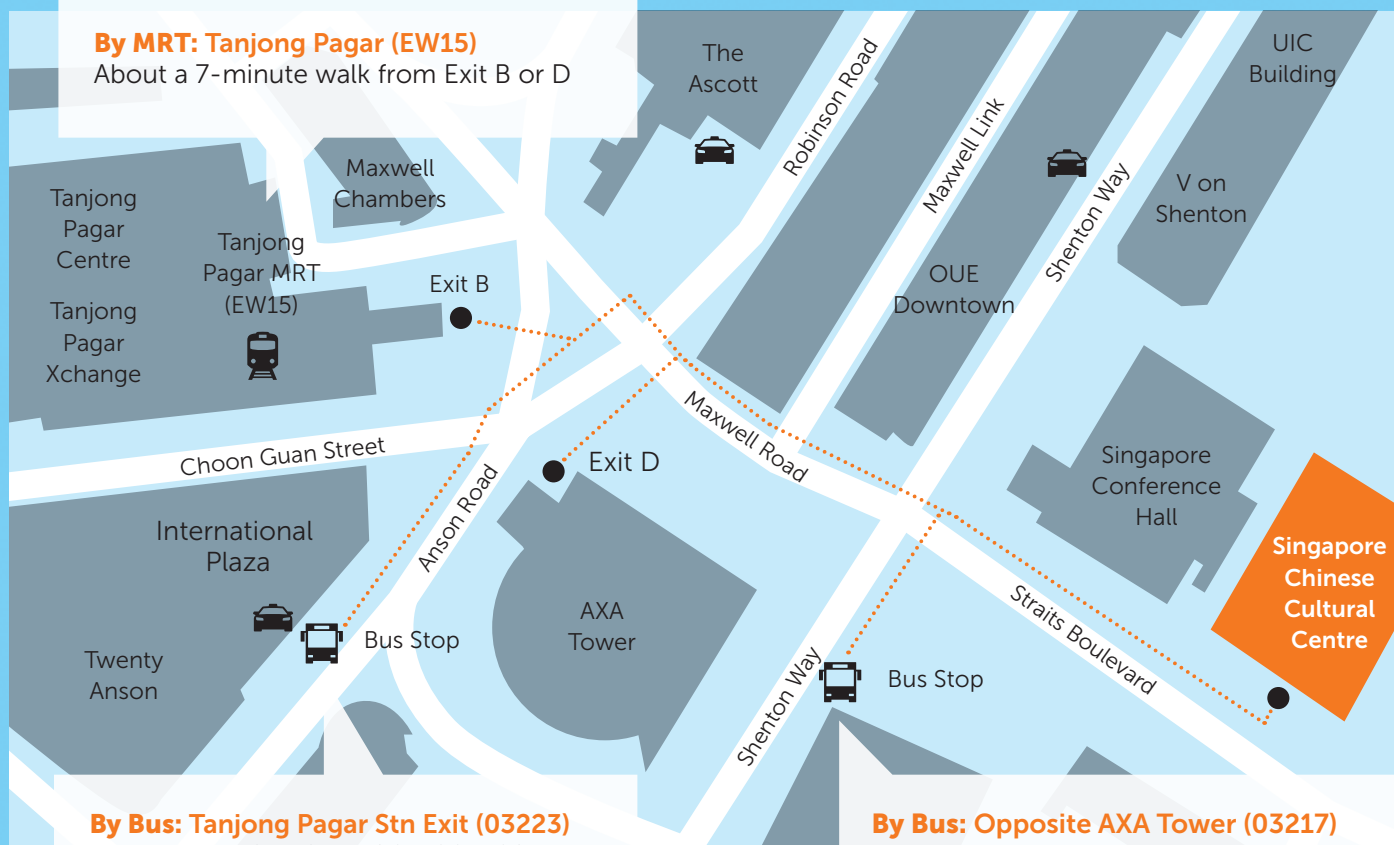
This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

**By MRT: Tanjong Pagar (EW15)**

About a 7-minute walk from Exit B or D



**By Bus: Tanjong Pagar Stn Exit (03223)**

Bus 57, 131, 167, 167e, 186, 400, 402, 700, 970, 971E  
About a 10-minute walk from the bus stop

**By Bus: Opposite AXA Tower (03217)**

Bus 10, 10e, 57, 97, 97e, 100, 131, 502, 971E, 982E  
About a 5-minutes walk from the bus stop

**PLEASE NOTE THAT THIS YEAR'S ANNUAL GENERAL MEETING WILL BE HELD AT:**

AUDITORIUM  
SINGAPORE CHINESE CULTURAL CENTRE  
1 STRAITS BOULEVARD  
SINGAPORE 018906

Light refreshments will be served after the Annual General Meeting

All rights reserved. Some information in this Annual Report constitute 'forward looking statements', which reflect ComfortDelGro's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside ComfortDelGro's control. You are urged to view all forward looking statements with caution. No information herein should be reproduced without the express written permission of ComfortDelGro Corporation Limited. All information herein is correct at the time of publication. For updated information, please contact our Corporate Office.



**ComfortDelGro Corporation Limited**

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