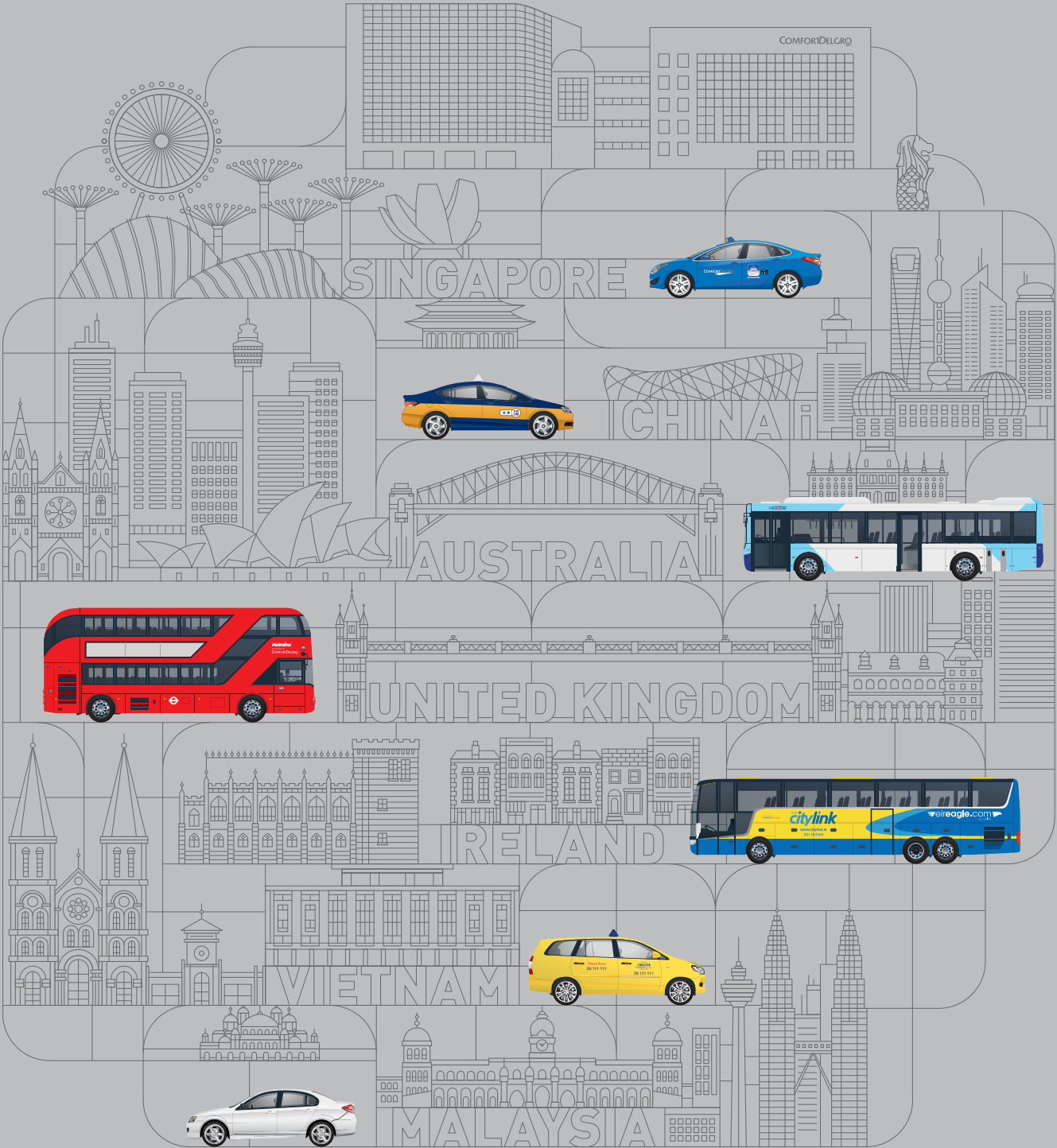


# COMFORTDELGRO



## OUR VISION

# TO BE THE WORLD'S LAND TRANSPORT OPERATOR OF CHOICE

## 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

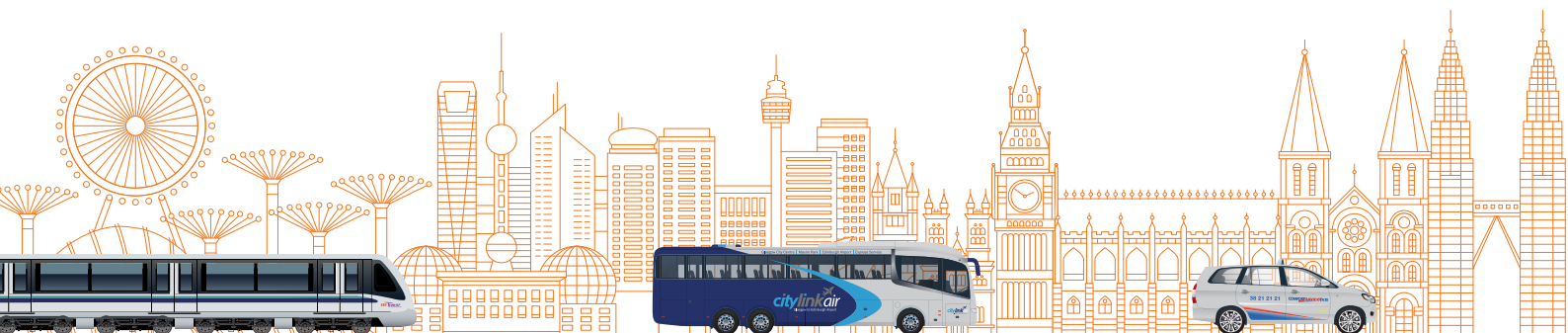
#### We will:

- 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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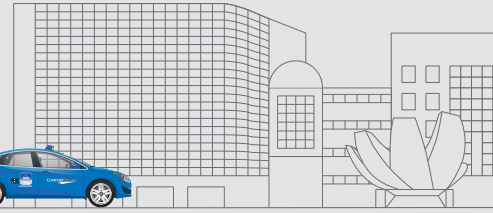
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# GLOBAL FOOTPRINT

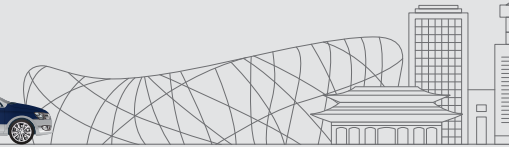
35 Cities  
7 Countries  
45,335 Vehicles  
22,048 Employees



SINGAPORE



CHINA



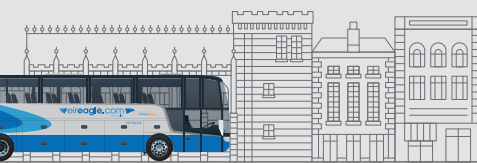
AUSTRALIA



UNITED KINGDOM



IRELAND

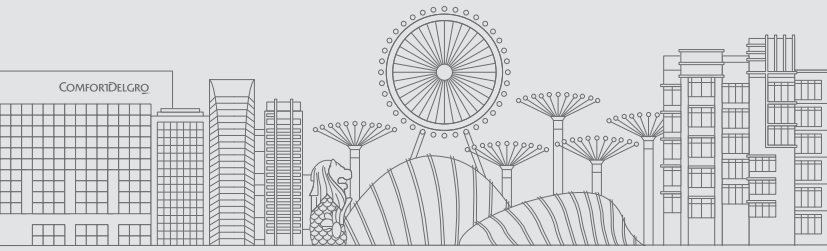


VIETNAM

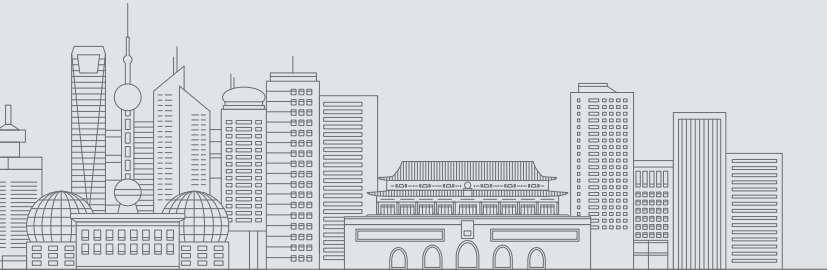


MALAYSIA





Singapore



Beijing  
Chengdu  
Chongqing  
Guangzhou  
Jilin City  
Nanjing  
Nanning  
Shanghai  
Shenyang  
Suzhou  
Tianjin



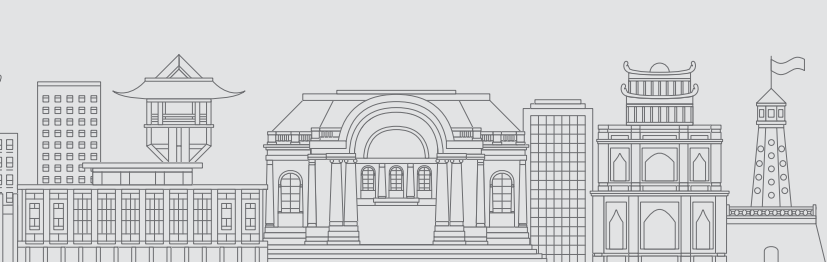
Ballarat  
Blue Mountains  
Canberra  
Geelong  
Lake Macquarie  
Maitland  
Melbourne  
Newcastle  
Parramatta  
Perth  
Queanbeyan  
Sydney



Aberdeen  
Edinburgh  
Glasgow  
Liverpool  
London



Cork  
Dublin  
Galway  
Limerick



Ho Chi Minh City



Kuala Lumpur

# CHAIRMAN'S STATEMENT

## REVENUES AT A GLANCE



SINGAPORE  
S\$2,545.9M



UNITED KINGDOM  
S\$906.3M



AUSTRALIA  
S\$385.5M



I am very happy to report that we had another successful year. This is not an easy achievement and I am proud that our Management has managed to continue to grow the business despite the very difficult global business environment.

### Introduction

The shocking outcome of the Brexit Referendum, the even more shocking United States Presidential Election, the refugee crisis in Europe, the tumultuous political struggle in the Middle East, the build-up of nuclear capabilities in North Korea and the protracted episodes in the East and South China Seas were the major political developments affecting our business in 2016.

In the economic sphere, global growth continued to slow down while productivity declined. Global commerce and trade remained stunted and the cost of doing business rose. Set against

this backdrop, protectionism and anti-globalisation measures became the order of the day in many countries.

Commodity prices remained weak while oil prices continued to hold at low levels. Currencies continued to fluctuate with the British Pound taking a beating (-15.3%) after the Brexit result. The Australian Dollar strengthened marginally (+1.4%) while the Chinese Renminbi, now an International Monetary Fund reserved currency in the Special Drawing Rights basket of currencies, dipped (-4.2%) against the Singapore Dollar, our reporting currency.

In the field of technology, we are also witnessing the rapid evolution of the Fourth Industrial Revolution as technological advances are moving at breakneck speed and artificial intelligence is becoming a reality.

Amidst such global uncertainty and upheaval, the Group has found it challenging to grow and expand our businesses as much as we would like to. That said, Management has turned in a respectable performance and registered its eighth year of steady growth.



CHINA  
S\$192.4M



IRELAND  
S\$17.6M



VIETNAM  
S\$8.9M



MALAYSIA  
S\$2.9M

## Singapore Transforming

### i. Physical

After the celebrations of Singapore's 50th Anniversary of Independence, the Government embarked on a long-term transformation programme and set up the Committee on the Future Economy (CFE) which I reported in my last statement. The Report was released in February 2017 and we will accelerate our undertaking to take into account the seven strategies outlined. We also look forward to schemes to be devised by the Authorities in implementing these strategies.

Tenders for the redevelopment of the Jurong Lake District as the second central business district have been called. Plans are also afoot for the Mandai Makeover and a new Tengah Township. The latter, a new town development, comes after a lapse of 20 years and will feature a forested setting together with some 'smart' elements. It will include Singapore's first car-free town centre as part of the car-lite efforts. All roads will get dedicated walking and cycling paths.

### ii. Socio-Economic

The Smart Nation programme, with its various initiatives, is being explored, studied and implemented. Aspects which are directly relevant to us include programmes related to autonomous and driverless vehicles and the car-lite environment infrastructure.

Our population reached 5.61 million as at June 2016. Growth in our economy is expected to slow to a low of between 1% and 3% for a few years as it restructures and matures.

The re-employment age will be increased to 67 years old with effect from 1 July 2017. The Government has convened a committee to review the ElderShield Scheme as part of its broader efforts to provide for better retirement adequacy and healthcare assurance as seen in the review of the MediShield Life Scheme and the introduction of the Pioneer Generation Package.

### iii. Land Transport

Singapore now has five Mass Rapid Transit (MRT) lines, three Light Rail Transit (LRT) lines, more than 5,000 public buses and 28,000 taxis. In addition, about 7.9 million passenger trips are made daily (3 million on trains, 3.9 million on buses and 1 million on taxis).

The MRT Masterplan which I mentioned in 2008 together with its revision in 2013 is well under way. We started operations on our Downtown Line (DTL) Stage 2 on 27 December 2015. We will be getting ready for the final Stage 3 opening in 2017. By then, all the 34 stations on the DTL will be open to the public.

An announcement has been made that our listed subsidiary, SBS Transit Ltd, together with the other rail operator, will be the only two operators invited to tender for the Thomson-East Coast Line (TEL). The tender is expected to take place in the first quarter of 2017. The Line is set to be completed by 2024 and will first start to operate in 2019 over five stages.

The new Bus Contracting Model (BCM) went into full swing in 2016, with 20% of the existing

bus routes opened for public tenders. Terms of the remaining 80% of the existing routes were successfully negotiated between the Land Transport Authority (LTA) and the two incumbent operators. From 1 September 2016 onwards, the Authorities have assumed full revenue risk in all scheduled bus routes.

As part of its expanded role, the Public Transport Council (PTC) has issued its first report to the Minister for Transport on its recommendations on improving the commuter's journey.

To further promote a car-lite society, the Authorities have announced plans to build cycling paths with a target of 700km by 2030. This is also the deadline when the Land Transport Masterplan will be fully implemented with a rail network distance of 360km. A full write-up of our involvement can be found in the Annual Report of our listed subsidiary, SBS Transit.

In a move which helped level the playing field in the taxi/private hire business in Singapore, the Authorities removed the minimum 250km mileage criterion from the Taxi Availability standard with effect from 1 January 2017. It also announced in February 2017 that private hire car drivers from ride-sourcing service operators are now required to obtain a vocational licence under amendments to the Road Traffic Act and to display a decal on their vehicles.

Driverless taxis and autonomous vehicles are on trials. The Park and Ride Scheme ceased to operate

# CHAIRMAN'S STATEMENT

from 1 December 2016 after 26 years.

Towards the end of the year, the High Speed Rail Project Agreement between Singapore and Kuala Lumpur was signed. Scheduled for operation by 31 December 2026, the new rail line will operate a distance of 350km (with 15km in Singapore) and eight stations. It is expected to have a travel time of 90 minutes.

The new land transport landscape is indeed exciting and challenging. As a Group, we will continue to gear up as we prepare to take on even more challenges in the new environment.

## Corporate Governance

### i. Board Diversity

The Diversity Action Committee continued its efforts to increase women representation in the boards of listed companies. In its 2016 report, it said that the percentage had further increased to 9.7% from 9.5% a year ago. It also suggested that the Monetary Authority of Singapore (MAS) strengthen the Code of Corporate Governance (Code) by requesting listed companies disclose their diversity policies, set measurable objectives and make progress reports.

I am pleased to say that we have a very diverse Board in terms of expertise and knowledge (legal, accounting and technology), overseas business experience, top management leadership experience at business, government and grassroots levels, gender, age, and involvement in the labour movement. These are very relevant to the nature of our regulated land transport business. This did not come by chance but is the result of a concerted effort to maintain as diversified a Board as possible.

### ii. Code of Corporate Governance

We continued to do well in the Singapore Governance and Transparency Index 2016, a joint initiative by the Centre for Governance, Institutions, and

Organisations at the National University of Singapore Business School, Singapore Institute of Directors and CPA Australia.

We take pride that the scores of our three listed companies are within the top 7% of the 631 listed companies covered in the Index: ComfortDelGro at 83, SBS Transit at 79 and VICOM Ltd at 88 far exceeded the national average of 49.7. Our respective rankings are 32nd, 41st and 20th.

We also fared well at the ASEAN Corporate Governance Scorecard. This index measures the top 100 companies of each nation. In Singapore, ComfortDelGro is ranked 25th.

On 27 February 2017, MAS announced that it has formed a Corporate Governance Council to review the Code. The last review was in 2012.

### iii. Singapore Stock Exchange

Last year, we produced our first Sustainability Report, ahead of regulatory requirements. The Singapore Exchange (SGX) has mandated that all listed companies will have to publish a sustainability report for financial years ending on or after 31 December 2017.

The SGX also commissioned KPMG to conduct an inaugural review of the extent of disclosures of the 85 requirements under the Code of Corporate Governance 2012. Judging from the general findings on remuneration matters, board matters, accountability and audit and shareholders rights and responsibilities, I am confident that we have done well though no specific score has been published for each of the companies.

The SGX announced its restructuring plans to delink the regulatory and supervisory functions from the commercial function. The regulatory function will be placed in a separate subsidiary with a chairman independent of the SGX.

This is expected to take place in the second half of 2017.

### iv. Audits

I continued my practice of meeting up with our External Auditors together with all the Chairmen of our three Audit and Risk Committees (ARCs) in the absence of Management staff. This is in addition to each of the ARCs meeting with the External Auditors, also in the absence of Management staff. I am pleased to report that our Management staff had continued to extend their full cooperation and assistance to the External Auditors in the course of their work. No serious shortcomings were surfaced.

Our Internal Audit team continued to undertake assignments, both locally and abroad. In the year under review, 32 internal audits were conducted including 14 or 44% on our overseas entities. There were no serious issues that warranted the attention of the Board.

### v. Investor Relations and Awards

Our Investor Relations (IR) team continued to have an active year meeting up with our investor representatives and research analysts. Our team also participated in seven investor conferences and non-deal road shows in Singapore, Kuala Lumpur, Taipei, Hong Kong, London and Edinburgh. We held 219 meetings and post-result briefings. These opportunities gave us the platforms to make known our strategies, our operations and our Vision. Feedback gathered from these sessions was also useful to our planning and follow-up activities.

We continue to adopt a transparent and prompt approach when dealing with our investors. Announcements are clearly and accurately disseminated to all Shareholders through the Exchange and on our website.



Sixteen research houses covered our stock. In the course of the year, more than 170 research reports were produced.

In anticipation of large turnouts at our Annual General Meetings (AGMs) as a result of changes to The Companies Act and the Central Provident Fund (CPF) Act, we decided to hold the Meetings at the larger HDB Hub instead of our usual office premises. Advanced notices and reminders were sent out so that Shareholders did not mistakenly proceed to the previous venue. We continued to meet up with our Shareholders after the AGMs sharing some light refreshments with them, attending to their queries and exchanging views with them. Board Directors and Management staff enjoyed these valuable sessions.

Our companies continued to receive awards in their places of work. In particular, VICOM won the Merit Award for Corporate Governance in the Big Cap category at the Securities Investors Association Singapore's (SIAS) Investors' Choice Awards 2016.

Our loyal Shareholders continued to hold our stock with 22% coming from North America, 14% from the United Kingdom (UK), 13% from Asia excluding Singapore and 5% from Europe. These constitute a majority 54% of our shareholdings. The top 20 Shareholders held 43% of our shares.

We remained one of the 30 stocks of the Straits Times Index (STI). In the year under review, the STI outperformed us by about 19%.

Initiated by the industry, a new Singapore Stewardship Principles, with the support of the MAS and the SGX, was launched in November 2016. I am pleased to advise that our IR activities are already in line with these Principles.

#### vi. Directors' Continuing Education

As part of our Directors' continuing education, several informatory sessions were conducted. A session on the major amendments to The Companies Act was conducted by a leading legal firm while another on Changes to the Regulatory Standards was also held. Other sessions included those on IFRS Convergence, Enhanced Auditors' Report, Sustainability Reporting and Cyber Security: Global Trends and Outlook.

#### vii. Director Renewals

Starting from 2017 AGMs, one director each from our three listed entities will retire. This represents about 14% of our Group of non-executive Directors. It is a healthy start towards our director renewal process.

### Singapore Businesses

We continue to operate in eight business areas in Singapore. These are (i) public transport services (bus and rail), (ii) taxi, (iii) vehicle inspection and non-vehicle testing services, (iv) engineering and diesel sale, (v) car rental, (vi) driving education, (vii) vehicle and outdoor advertising and (viii) insurance broking.

The Scheduled Bus business assumed the new BCM in September 2016. SBS Transit's market share fell but it no longer takes on the revenue risk. The Unscheduled Bus business continued to be a significant player, running most of the major national events in addition to its usual school, corporate and Premium Bus Service contracts.

The Rail business covers the North East Line (NEL), DTL MRT and the Sengkang and Punggol LRT systems. Ridership on all the Lines increased during the year.

Despite strong competition, our Taxi business held its own through its award-winning booking app. New features were added to make booking that much easier for the commuters. As a result, call booking volumes remained strong. Cashless transactions also increased during the year with the return of VISA cards. We continue to assist

and support our drivers who are our close working partners. For example, we introduced an assistance fund during the year to help those who find themselves in need of urgent financial assistance as the economy slows. We also reward our loyal customers with attractive, practical and sustainable promotions from time to time. We remain committed to improving our overall service levels to both our drivers and their passengers. To this end, we have made significant investments and continue to be the leading taxi operator with a fleet size of close to 17,000 taxis or 61% of the market as at 31 December 2016.

Our Engineering business serves as a strong support for our taxi business. Our priority is to maintain our fleet of vehicles, ensuring they stay in tip-top condition. Our islandwide branches of workshops also offer convenience to our drivers, and our commitment to workplace efficiency ensures that the downtime for taxi maintenance is minimised. In addition, our drivers are also provided with subsidised diesel. Besides serving our taxi fleet, our engineering arm also services and maintains fleets of large corporations and individuals.

Despite increased competition, our Car Rental business continued to hold its own. Our Driving School won contracts from the Home Team and the Singapore Civil Defence Force, further reinforcing its position as Singapore's leading driving school. It celebrated its 20th year of existence in 2016.

We remain the dominant operator in the Vehicle Inspection industry with a 74.4% market share. We have kept inspection fees unchanged since 2007 and instead focussed on delivering greater value for our customers through productivity improvements. We continue to keep abreast of technological developments in car manufacturing and their pursuant testing needs. Our Non-vehicle Testing business experienced a challenging year as the global economy slowed. A full report of the Vehicle Testing and Non-vehicle Testing sectors appears in the Annual Report of our second listed subsidiary, VICOM.

# CHAIRMAN'S STATEMENT

Our Outdoor Advertising business covers mainly taxi, bus and rail advertisements. There was increased activity during the year as DTL 2 opened for operations. The creative advertising packages produced continued to attract high patronage.

The Insurance Broking business continued to look after our Group's multi-million dollar insurance premium, both locally and abroad. Effective savings and enhanced coverage have been achieved for our Group.

Despite the competitive environment, we continue to look for growth and improvements.

## Overseas Businesses

We operate in six overseas countries: the UK, Ireland, Australia, China, Vietnam and Malaysia. Other than rail, engineering, non-vehicle testing, insurance broking, the remaining five businesses that we run in Singapore, together with the bus station business, operate in the overseas countries.

Towards the end of the year, we signed a Share Sale Agreement to purchase the remaining 49% stake in ComfortDelGro Cabcharge Pty Ltd for S\$201.1 million (A\$186.0 million), making it a wholly-owned subsidiary of the Group. This is the entity which owns the bus operations in Sydney and Melbourne where we are the leading private bus operator. The sale was completed in February 2017.

### i. United Kingdom

The UK continues to be the best performer amongst our overseas operations. Our Bus and Coach businesses there performed commendably but the Taxi Circuit and Private Hire businesses faced great challenges. The fall in the value of the British Pound post-Brexit resulted in a drop in translated profits.

Our Scheduled Bus business, operated through our wholly-owned subsidiary, Metroline, retained its position as the second largest

operator in London with a market share of 19.1%. It operated more than 1,740 buses on 108 routes during the year, including 394 environmentally friendly buses like fully electric and hybrids, of which 147 were the iconic 'New Routemaster' double decks. In March 2016, it won the 'Bus Operator of the Year' Award at the London Transport Awards.

Our Coach operations in England and Scotland, including the Inter-City Express Coach operations between Scotland and major English cities continue to perform up to our satisfaction in a very competitive environment.

### ii. Ireland

The Intra-City Coach operation in Ireland is doing very well. We run a network of six routes linking four major cities (Cork, Dublin, Galway, and Limerick) as well as direct Dublin Airport express coach services under the 'Irish Citylink' and 'eireagle.com' brands. On-bus sales and website sales are predominant and account for close to 95% of our bookings.

### iii. Australia

We operate in four cities: Sydney, Melbourne, Canberra and Perth. We also operate in major cities and regions such as Blue Mountains, Hunter Valley, Geelong, Ballarat and Queanbeyan. We run scheduled bus, chartered bus and school contract services in Sydney and Melbourne. In New South Wales (NSW), we are one of the largest private bus operators with 1,198 buses. Likewise in Victoria, we have 515 buses. We also offer vehicle advertising services in NSW.

In Perth, we run Swan Taxis, the largest taxi circuit in the City with 1,724 vehicles. Perth City is undergoing some changes to the transport scene as a result of the On-demand Transport Industry Reforms introduced by the previous Minister for Transport. We continue to perform satisfactorily

in the new environment competing against third-party apps and ride-sharing services.

### iv. China

China is our third largest overseas destination. We operate in five business areas in 11 cities – taxi, long-distance bus station, car rental & leasing, vehicle inspection and driving education.

Provision of taxi services continues to be our major business in China with 10,778 vehicles operating in nine cities. We are still the leading operator in Jilin City and Nanning, second in Chengdu and Shenyang, third in Beijing and fourth in Nanjing. The remaining cities with smaller fleets are Shanghai, Suzhou and Tianjin.

Like everywhere else, disruptive technologies have had an impact on the taxi industry in China. The Government has, however, laid down a set of regulations aimed at levelling the playing field with clear definition of taxi age and usage, and residential, driving and security profile of the drivers. It is our hope that these new regulations would provide a fair competitive climate.

Despite the introduction of the high speed rail network, our Bus Station business continued to perform well through innovative marketing and the introduction of new value added services including fuel selling and passenger insurance and app-enabled ticket purchases.

### v. Vietnam

Our two taxi companies in Vietnam performed satisfactorily despite the increased competition. With 604 vehicles, we still rank third in Ho Chi Minh City.

### vi. Malaysia

The slowdown of the Malaysian economy has posed challenges to our Auto Leasing company which operates 182 vehicles.

## Manpower

The cost of manpower continued to rise. In 2016, our Group manpower expense reached S\$3.99 million per day, an increase of 3.9% from 2015. While extra efforts have been made to manage this cost, there is a limit to what we can do given that our vehicles still need to be manually operated by human beings. We continue to focus on staff development to service our clients.

We also reviewed and streamlined manpower structures at the various Business Units, enlarging job scopes and further flattening reporting lines. Process reviews were also undertaken to improve productivity and efficiency. Concurrently, senior management bench strength was also beefed up to meet future challenges.

Our staff strength in 2016 stood at 22,048, a drop of 255 from 2015. Part of the decline is due to the transfer of bus captains under the new BCM in Singapore. About 44% of our staff are based overseas. Overall, 28% of our staff are Singaporeans. The other four major nationalities are Malaysians (21%), British (14%), Australians and the People's Republic of China nationals (10% each). Together, they constitute 83% of our total workforce.

## Information Technology

We continue to invest significantly in technology and information technology. In 2016, this accounted for about 1.1% of our total revenue, or about S\$44.4 million. For example, we invested S\$1.5 million in the Mobileye Safety System in Singapore which assists our bus captains in their driving so as to avoid unnecessary accidents. A similar system is being rolled out in our Australian operations in 2017.

## Finance

I am very happy to report that we had another successful year. This is not an easy achievement and I am proud that our Management has managed to continue to grow the business despite the very difficult global business environment.

Group total revenue has reached S\$4.06 billion in 2016. This is slightly lower than 2015 by 1.3%. Despite the drop in revenue, Group operating profit increased by 2.6% over 2015 to S\$462.2 million.

The two leading Business Units, taxi and public transport services, continued to be the top performers. Their combined revenue represents 89.8% of our Group total revenue. This is 0.8 percentage point higher than 2015. However, Group taxi revenue surpassed previous year by 0.7 percentage point, while the Group's public transport services revenue also edged marginally higher compared to 2015 by 0.1 percentage point.

These two businesses also lead in operating profits, contributing close to three-quarters of total Group operating profit.

With weaker foreign currencies prevailing in our overseas operations, overseas total revenue in 2016 was 37.3% of Group total revenue, a slight decline of 2.7 percentage points from 2015. Likewise, overseas total operating profit is also 5.1 percentage points lower than 2015's Group total operating profit at 40.5%.

The Group's profit before tax reached a record of S\$466.6 million in 2016. This is 3.2% higher than 2015. Profit attributable to shareholders is also a record at S\$317.1 million or 5.0% better than 2015. Earnings per share in 2016 increased by 4.6% to 14.72 cents. Net asset value per share increased to 114.77 cents from 108.60 cents previously. With these sets of figures, returns to both equity and total assets were 13.2% and 7.3% respectively in 2016 compared to 13.3% and 7.1% in 2015.

Capital expenditure in 2016 was S\$466.5 million compared to S\$669.6 million in 2015. We will expect this expenditure to slow down as a result of the introduction of the new BCM in Singapore in which the Authorities are responsible for the ownership of

the buses. However, we will continue to expand in areas where our needs are critical especially in the area of technology.

Our balance sheet continues to be strong and healthy. We maintain this status so as to be able to distribute a reasonable dividend to our Shareholders as well as to be in a comfortable position for future expansion. As at end of 2016, our assets stood at S\$5.1 billion, a slight drop of 1.8% from 2015. This has resulted in our total borrowings reduced to S\$345.1 million from S\$558.6 million in 2015. Our gearing ratio was 10.8% compared to 18.5% in 2015. Our net cash position was S\$434.2 million compared to S\$229.2 million in 2015.

Your Directors have recommended a higher tax-exempt one-tier final dividend of 6.05 cents per share. This will be subject to Shareholders' approval at our AGM on 26 April 2017. Together with the tax-exempt one-tier interim dividend of 4.25 cents per share paid earlier, the total dividend for 2016 would be 10.30 cents per share. This is 14.4% higher than 2015 and represents 70.1% of our payout. It is also higher than our declared minimum 50% dividend policy. Against the year-end closing price of S\$2.47, the yield was 4.2%.

## Corporate Social Responsibility

Accompanying this Annual Report is the second edition of our Sustainability Report. It covers all the countries that we operate in compared to the first edition which covered only Singapore operations.

## Outlook And Challenges

As I write this Statement, it is clear that the global political and economic environment going forward will be very challenging. How countries react to events happening around the world will determine to a large extent our future business strategy.

In Singapore, we will closely monitor new regulations that may emerge following the release of the Report by the CFE.

# CHAIRMAN'S STATEMENT

The evolution of vehicle manufacturing will also affect our business in the years to come. We will keep a keen eye on the development of electric, hybrid and autonomous technologies and the ensuing changes in legislation, which I suspect will take a while as mindsets and attitudes towards such new innovations slowly change.

We are also monitoring developments in technology applications, specifically in the area of land transport. We will continue to invest in new technologies to further improve our service offerings to our customers.

It is inevitable that with changes to the business environment, appropriate manpower may need to be recruited to meet the challenges. This is the challenge that the Human Resource Department needs to anticipate and work closely with the business groups, the relevant government agencies and the labour unions.

Our efforts to continue our overseas investments may need to be intensified. A new strategy may need to evolve in light of new changes and challenges.

## Changing Of The Guard

Mr Kua Hong Pak, our Founding Managing Director/Group Chief Executive Officer (MD/Group CEO), has decided to step down on 30 April 2017. He has been at the helm for over 14 years. It has been my fortune to work very closely with him as both of us were directly responsible for the Merger of Comfort Group Limited and DelGro Corporation Limited in March 2003.

His hard work, determination, commitment and passion, together with his foresight, have brought ComfortDelGro to its present position. Under his leadership, the Group experienced compound annual growth rates of 5.1% in revenue, 5.8% in operating profit and 4.8% in total assets during the period from 2003 to 2016. It is indeed very rare for a Singapore-based company to venture so successfully overseas in land transport in so short a time.

I wish to congratulate him for his fine efforts. In appreciation of his significant contributions, we have decided to devote a few pages in this Annual Report to reflect and record his achievements.

I am also very happy that Mr Yang Ban Seng, our CEO in the Taxi Division, will be taking over the helm. Ban Seng is not new to the Group having been with Comfort and then ComfortDelGro for over 28 years. I have no doubt that he will bring the Group to new heights in a very challenging and interesting business environment.

## Appreciation

In thanking Mr Kua Hong Pak for his many valuable and significant contributions over a period of 14 years, from 2003 to 2017, I also wish to add my grateful appreciation to my fellow Directors for their advice and suggestions over these formative years. We have embarked on a process of director renewals starting with the coming AGM where Mr Tow Heng Tan will be retiring. Heng Tan has been with us since 2002, first with Comfort

and then ComfortDelGro. He has been a member of both the Remuneration Committee and the Investment Committee. He was also the Chairman of our Remuneration Committee from 2012 to 2016.

My thanks also go to our hardworking Management staff, many of whom have been with the Group since it formed.

To our Partners, I also wish to express my appreciation for their loyalty, understanding and assistance in the course of the year under very trying circumstances.

To the Regulators and Labour Unions, we look forward to working together to further improve the level of service to our commuters.

To our Commuters, we continue to have your interests at heart. We appreciate your continued patronage. We do not take your relationship with us for granted and will continue to work hard to ensure your journey with us is safe, comfortable and rewarding.

I also wish to thank our faithful and loyal Shareholders for their trust, understanding and cooperation in the course of the year. I see long-term shareholdings remaining in our register of members. We shall continue to do our best and hope for growth in the coming year.

## Lim Jit Poh

Chairman  
March 2017



## **MILESTONES ACHIEVED UNDER THE STEWARDSHIP OF MR KUA HONG PAK**

Having led the Group since its formation on 29 March 2003, Mr Kua Hong Pak has become synonymous with ComfortDelGro Corporation Limited. In the last 14 years, he has steered the Group through some choppy waters with a steady and unwavering hand, all the while upholding its core values of integrity, commitment and passion. Under his stewardship, the Group has grown both in terms of breadth and depth.

The following pages are some of the highlights of his career with us.

## MILESTONES

“It has been a great and rewarding journey for ComfortDelGro with Hong Pak leading the Management as its head since inception on 20 March 2003.”

- Mr Lim Jit Poh, Chairman, ComfortDelGro

### AN IDEA BORN

The idea to marry Comfort Group and DelGro Corp was first mooted in late-2001 by then Chairman of Comfort Group, Mr Lim Jit Poh, and non-executive Director of DelGro Corp, Mr Kua Hong Pak.

“We wanted to grow the organisation. We wanted to put it together so that we would have the financial

strength, the credibility and the image to really compete on the global stage and make our presence felt in a meaningful way. As smaller players, when we go abroad, no one takes us seriously,” said Mr Kua in the Group’s 5th Anniversary coffee table book, “The ComfortDelGro Story”.

### RALLYING SUPPORT



The press release announcing the merger proposal on 21 November 2002 took the media and stock market completely by surprise. The reception to the news was mixed and sceptics were out in full force. There was uncertainty over ridership and earnings. Yet others were unhappy about the share swap ratio.

Both Mr Lim and Mr Kua were undaunted. Together with a few support staff, they set out to key financial centres in London, Edinburgh and Hong Kong to convince foreign Shareholders and fund managers of the benefits of the proposed merger. Conference

calls were also made to Shareholders in New York, Tokyo and Luxembourg.

It was, in Mr Kua’s words, “a lot of hard work, talking morning to night until my voice was totally gone”.

But the hard work paid off and on 19 March 2003, Shareholders of both Comfort and DelGro voted overwhelmingly in favour of the Merger.

ComfortDelGro was born.

## POST MERGER CONSOLIDATION



Post merger, integration and consolidation became the order of the day. The focus was to cut duplication and increase efficiency. To this end, key corporate functions were consolidated at Group level and new positions created where it made sense.

Mr Kua recalls how he came about the decision to centralise: “When you bring two large companies together, you are bound to end up with many duplicate functions. Whether it was in finance or human resource, it was double of everything.

“I remember visiting the various Business Units soon after the Merger and seeing data centres in practically every location. It was clearly a waste of resources. The same could be said for the way our communications was being handled. Can you imagine having over 40 newsletters and publications across the Group?”

With the centralisation of resources, a total of S\$3.8 million was saved in 2003 and 2004. This was followed by annual savings of S\$5.2 million from then on.

## SARS



One of the biggest challenges that Mr Kua faced as Managing Director/Group Chief Executive Officer took place just two days after the Merger was completed. A Comfort taxi driver came forth to say on 31 March 2003 that he may have ferried a SARS (Severe Acute Respiratory Syndrome) victim and her mother. Pandemonium ensued. People stopped taking taxis and drivers' incomes plunged.

Mr Kua and the Management team worked quickly to try and boost public confidence in the industry. A daily disinfection routine was introduced and all drivers were given face masks and “fever-free” stickers in a confidence-building exercise. But public

confidence continued to wane and Mr Kua took a snap decision to help drivers with their daily rentals with a S\$10 rebate.

“Everyone was shocked. I did not talk to anybody or consult anybody. I didn't think how much it would cost us. I was making a decision with my head on the block – if things went wrong, I would be dead,” recalled Mr Kua.

Things did finally get better three months later.

Said Mr Kua: “We did the right thing. We made the right decisions and we managed to hold everything together.”

## MILESTONES

### NEW BUSINESSES



In 2004, ComfortDelGro Insurance Brokers Pte Ltd was set up as an associate, with the aim of providing the Group with a dedicated insurance broking arm. In 2005, ComfortDelGro ventured into outdoor advertising through a new subsidiary, Moove Media Pte Ltd. More than a decade later, these businesses have contributed significantly to both the top and bottom lines of the Group.

### WORLD'S FIRST FULLY UNDERGROUND DRIVERLESS TRAINS



In June 2003, SBS Transit Ltd, a subsidiary of the Group, launched the North East Line (NEL). It was the world's first fully underground driverless train – and consequently a source of some trepidation amongst many would-be commuters who were worried about the “lack of safety” given that no one was at the “wheel”. To allay the fears, Management conducted many educational and community

engagement sessions to explain how the system worked, especially in emergency situations. When the Line finally began operations, more than 140,000 passengers hopped on. Ridership continued to grow and people soon got used to the idea. Today, the NEL and the newer Downtown Line – both driverless systems – carry over 800,000 passengers daily.



## EXPANDING INTO AUSTRALIA



In October 2005, ComfortDelGro partnered Cabcharge Australia Limited and acquired Westbus Group, a loss-making bus company in the country's most populous state, New South Wales (NSW). In no time at all, the renamed company, ComfortDelGro Cabcharge Pty Ltd, was able to turn the business around. After the foray into NSW, the Group expanded into Victoria and Western Australia and now operates scheduled bus, coach and taxi services Down Under.

## MANOEUVERING THE OIL CRISIS

When the Group was formed in 2003, oil prices were trading at an average of US\$29 a barrel. By 2008, oil had hit US\$100 a barrel with fears that it would even breach the US\$200-mark within the year. Yet, the

Group managed to keep fuel costs largely in check – thanks to strict cost containment measures and clever hedging activities.

## NEW TECHNOLOGIES



The rise of the Internet and the advent of new technologies gave rise to a new class of competitors which had little or few assets of their own. The Internet of Things meant that companies like Alibaba Group Holding Limited, Uber Technologies, Inc. and Airbnb, Inc. were able to change the way businesses operated.

In the taxi industry, the growing popularity of phone applications (apps) resulted in an increase in the number of booking jobs versus street hails. The Group's taxi companies, led by ComfortDelGro Taxi, invested millions in developing their booking apps, which rank as one of the most advanced in the industry.

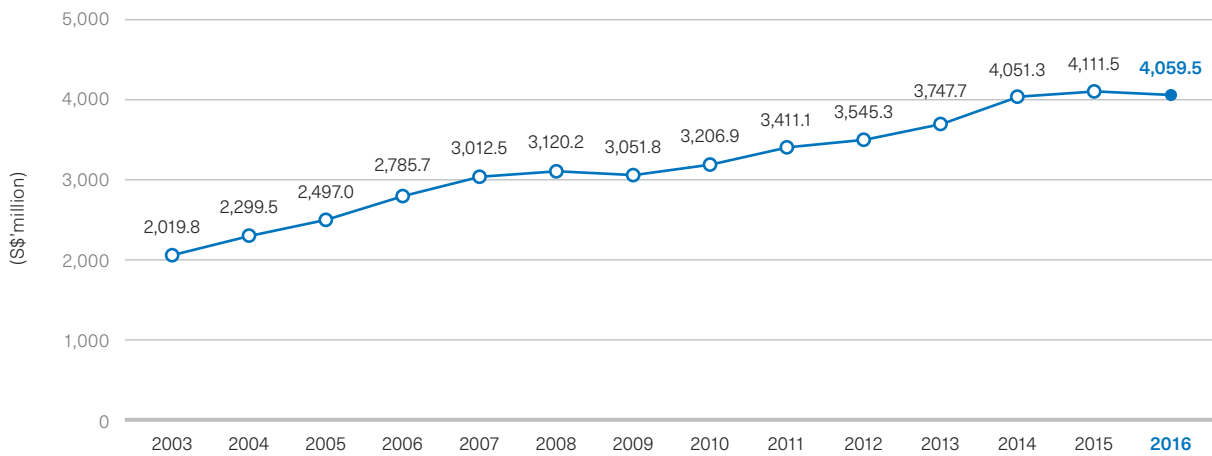
# MILESTONES

## STEADY GROWTH

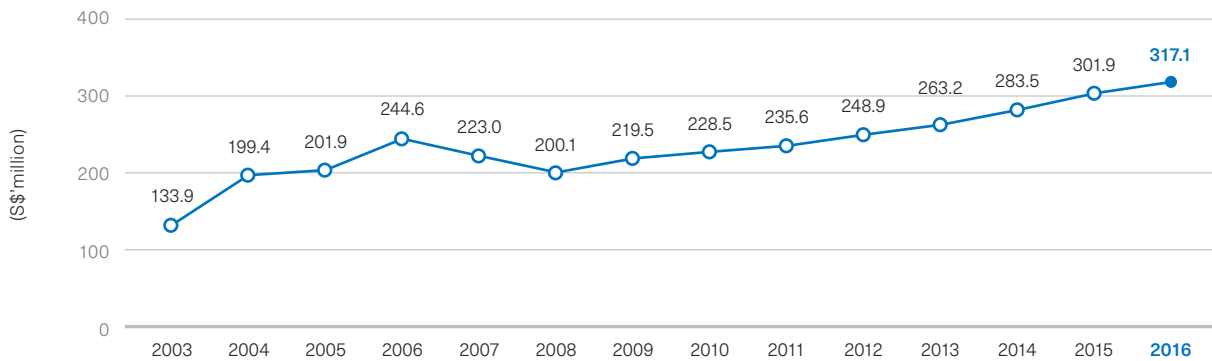
In the 14 years since Merger, ComfortDelGro has grown from strength to strength. Revenue has more than doubled from S\$2 billion to over S\$4 billion while net profit attributable to shareholders has

increased by 2.4 times from S\$134 million to S\$317 million. The fleet size has also increased significantly by 30% from 34,975 to over 45,300.

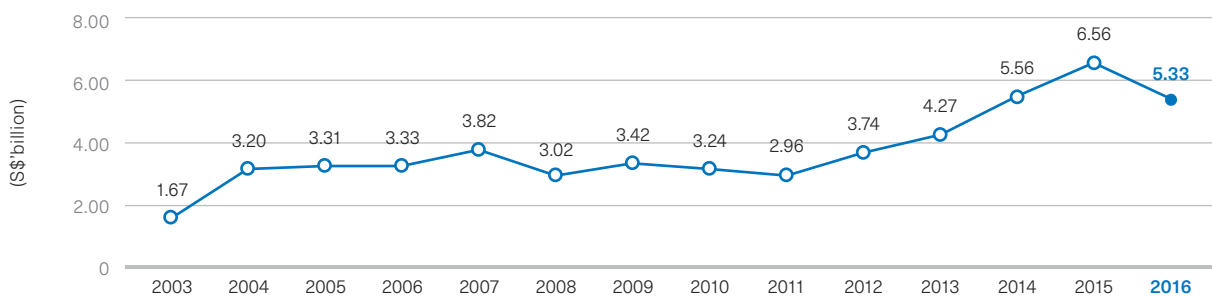
### Revenue



### Profit Attributable to Shareholders



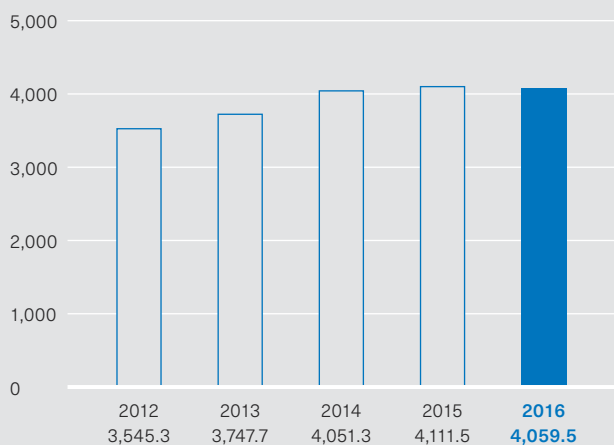
### Market Capitalisation



# GROUP FINANCIAL HIGHLIGHTS

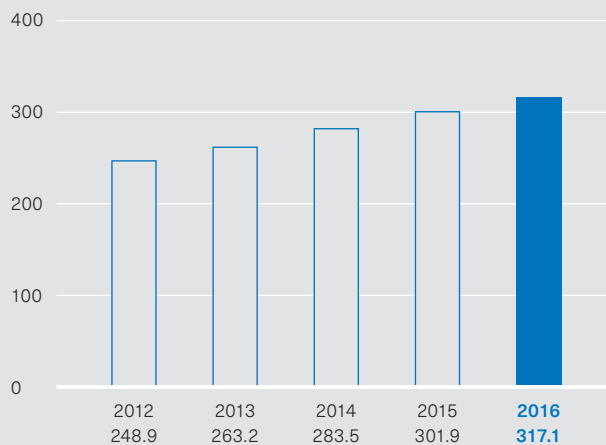
## Revenue

(S\$'mil)



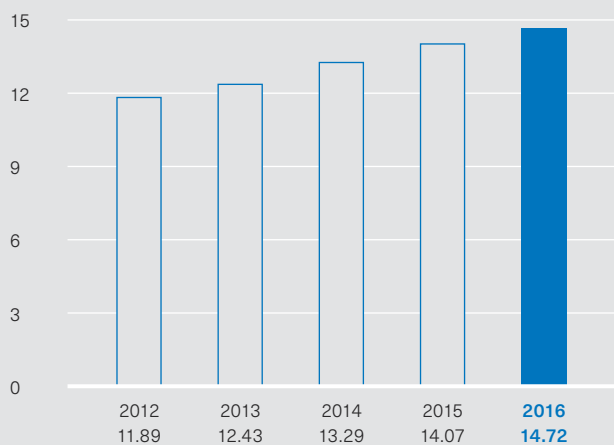
## Profit Attributable to Shareholders

(S\$'mil)



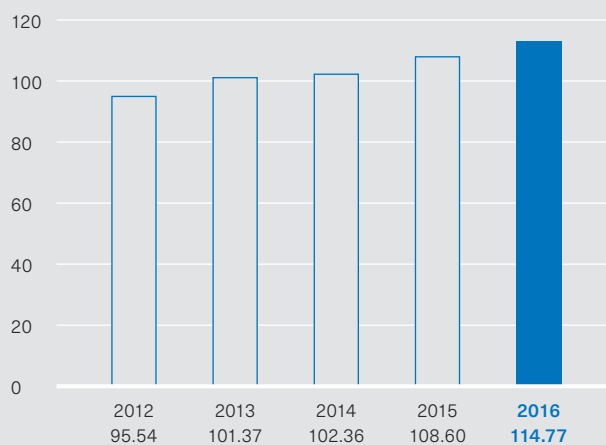
## Earnings Per Ordinary Share

(cents)



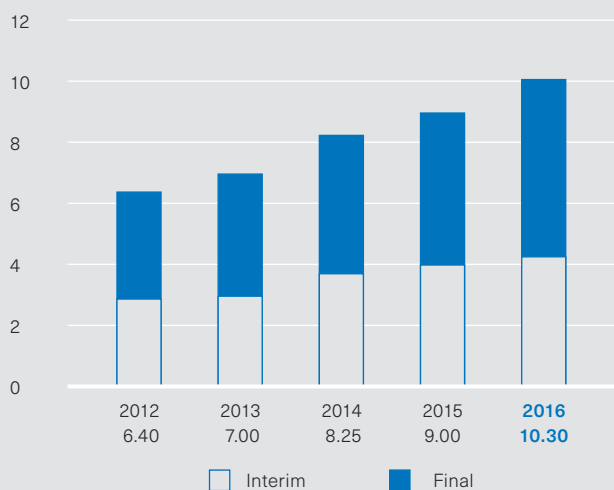
## Net Asset Value Per Ordinary Share

(cents)



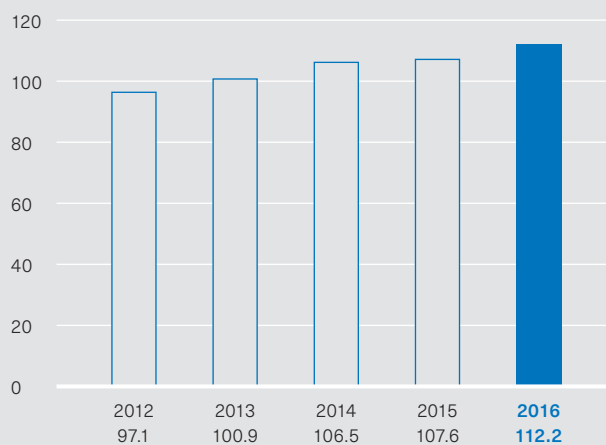
## Total Dividend Per Ordinary Share

(cents)



## Value-Added Per Employee

(S\$'000)



# GROUP FINANCIAL HIGHLIGHTS

## Financial Summary

	2012	2013	2014	2015	2016
Revenue (S\$'mil)	3,545.3	3,747.7	4,051.3	4,111.5	4,059.5
Operating Costs (S\$'mil)	3,133.0	3,321.4	3,609.2	3,660.8	3,597.3
Operating Profit (S\$'mil)	412.3	426.3	442.1	450.7	462.2
Profit Attributable to Shareholders (S\$'mil)	248.9	263.2	283.5	301.9	317.1
EBITDA (S\$'mil)	735.3	763.7	795.8	840.0	858.2
Issued capital (S\$'mil)	585.1	622.7	646.4	665.5	676.9
Capital and reserves (S\$'mil)	2,008.2	2,154.7	2,189.9	2,335.1	2,475.5
Capital disbursement (S\$'mil)	519.6	500.1	511.6	650.5	466.5
Return on shareholders' equity (%)	12.7	12.6	13.1	13.3	13.2
Earnings per ordinary share (cents)	11.89	12.43	13.29	14.07	14.72
Net asset value per ordinary share (cents)	95.54	101.37	102.36	108.60	114.77
Interim dividend per ordinary share (cents)	2.90	3.00	3.75	4.00	4.25
Final dividend per ordinary share (cents)	3.50	4.00	4.50	5.00	6.05
Total dividend per ordinary share (cents)	6.40	7.00	8.25	9.00	10.30
Dividend cover (number of times)	1.8	1.8	1.6	1.6	1.4

## Group Revenue by Business Segment

	2012		2013		2014		2015		2016	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Public transport services	1,863.6	52.5	2,025.8	54.1	2,251.5	55.5	2,332.5	56.7	2,307.3	56.8
Taxi	1,129.8	31.9	1,197.9	32.0	1,283.7	31.7	1,326.8	32.3	1,340.8	33.0
Bus station	25.7	0.7	28.6	0.8	29.1	0.7	29.0	0.7	26.9	0.7
Automotive engineering services	354.9	10.0	316.5	8.4	302.7	7.5	238.5	5.8	204.8	5.0
Inspection and testing services	97.8	2.8	105.7	2.8	109.1	2.7	107.5	2.6	103.7	2.6
Car rental and leasing	35.5	1.0	35.2	0.9	35.9	0.9	38.3	0.9	36.3	0.9
Driving centre	38.0	1.1	38.0	1.0	39.3	1.0	38.9	1.0	39.7	1.0
<b>Group</b>	<b>3,545.3</b>	<b>100.0</b>	<b>3,747.7</b>	<b>100.0</b>	<b>4,051.3</b>	<b>100.0</b>	<b>4,111.5</b>	<b>100.0</b>	<b>4,059.5</b>	<b>100.0</b>

## Group Revenue by Geographical Segment

	2012		2013		2014		2015		2016	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	2,103.5	59.3	2,229.8	59.5	2,399.6	59.2	2,468.7	60.0	2,545.9	62.7
United Kingdom / Ireland	680.6	19.2	802.3	21.4	1,014.1	25.0	1,024.1	24.9	923.9	22.8
Australia	492.2	13.9	485.0	12.9	413.5	10.2	387.1	9.4	385.5	9.5
China	259.5	7.3	220.1	5.9	212.9	5.3	219.7	5.4	192.4	4.7
Vietnam	6.1	0.2	6.3	0.2	7.1	0.2	8.7	0.2	8.9	0.2
Malaysia	3.4	0.1	4.2	0.1	4.1	0.1	3.2	0.1	2.9	0.1
<b>Group</b>	<b>3,545.3</b>	<b>100.0</b>	<b>3,747.7</b>	<b>100.0</b>	<b>4,051.3</b>	<b>100.0</b>	<b>4,111.5</b>	<b>100.0</b>	<b>4,059.5</b>	<b>100.0</b>

### Operating Profit by Business Segment

	2012		2013		2014		2015		2016	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Public transport services	158.9	38.6	162.2	38.0	172.2	38.9	177.7	39.4	178.3	38.6
Taxi	141.1	34.2	146.2	34.3	150.9	34.1	163.9	36.4	167.5	36.2
Bus station	11.4	2.8	12.4	2.9	12.5	2.8	12.5	2.8	12.2	2.6
Automotive engineering services	51.2	12.4	52.7	12.4	51.4	11.7	41.2	9.1	50.7	11.0
Inspection and testing services	32.6	7.9	35.2	8.3	36.8	8.3	37.7	8.4	34.8	7.5
Car rental and leasing	8.9	2.1	9.1	2.1	9.1	2.1	9.2	2.0	8.1	1.8
Driving centre	8.2	2.0	8.5	2.0	9.2	2.1	8.5	1.9	10.6	2.3
<b>Group</b>	<b>412.3</b>	<b>100.0</b>	<b>426.3</b>	<b>100.0</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>

### Operating Profit by Geographical Segment

	2012		2013		2014		2015		2016	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	221.6	53.8	217.7	51.1	227.2	51.4	245.1	54.4	275.1	59.5
United Kingdom / Ireland	48.1	11.7	62.9	14.8	89.1	20.2	92.2	20.5	80.7	17.5
Australia	96.2	23.3	95.1	22.3	72.2	16.3	62.9	13.9	57.3	12.4
China	44.9	10.9	49.2	11.5	52.2	11.8	48.6	10.8	47.4	10.2
Vietnam	0.9	0.2	0.6	0.1	0.6	0.1	1.3	0.3	1.2	0.3
Malaysia	0.6	0.1	0.8	0.2	0.8	0.2	0.6	0.1	0.5	0.1
<b>Group</b>	<b>412.3</b>	<b>100.0</b>	<b>426.3</b>	<b>100.0</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>

### Value-Added for the Group

	2012		2013		2014		2015		2016	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital										
- loan interest and dividends	194.4	9.9	193.5	9.1	220.0	9.5	232.7	9.7	244.4	9.9
Taxation to the government	223.8	11.4	227.9	10.7	240.6	10.4	242.9	10.1	243.8	9.9
Retained earnings	456.9	23.2	484.9	22.9	485.0	21.1	521.0	21.7	528.4	21.3
Employees										
- salaries and other staff costs	1,093.3	55.5	1,216.7	57.3	1,359.3	59.0	1,403.5	58.5	1,458.0	58.9
Total value-added	1,968.4	100.0	2,123.0	100.0	2,304.9	100.0	2,400.1	100.0	2,474.6	100.0
Number of employees	20,275		21,042		21,646		22,303		22,048	
<b>Value-added per employee (S\$'000)</b>	<b>97.1</b>		<b>100.9</b>		<b>106.5</b>		<b>107.6</b>		<b>112.2</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 during the year.



## ComfortDelGro Corporation

- 1 Kua Hong Pak, Managing Director/ Group Chief Executive Officer (MD/ Group CEO) of ComfortDelGro, was conferred the Public Service Star (Bar) at the Singapore National Day Awards 2016
- 2 Distinguished Friend of Lions Befrienders
- 3 May Day Partnership Award for Outstanding Contributions to Build an Ageless Workplace by the National Trades Union Congress (NTUC)
- 4 “Most Number of People Exercising with Resistance Bands” by the Singapore Book of Records

## Beijing Jin Jian Taxi Services

- 5 Advanced Management Staff on Municipal Traffic Security
- 6 Advanced Unit in City Traffic Security
- 7 Advanced Unit of Shi Jing Shan District Traffic Security for 2015

- 8 Advanced Unit on Security Information in the Taxi Industry by the Beijing Municipal Public Security Traffic Management Bureau
- 9 Contribution Award at the 70th Anniversary of Victory of Chinese People’s Resistance against Japanese Aggression and World Anti-Fascist War

## Chengdu ComfortDelGro Taxi

- 10 AA Grade
- 11 Yao Gang named “Chengdu Civilised Driver”

## Chongqing ComfortDelGro Driver Training

- 12 Four-star rating by the Chongqing Road Transport Bureau
- 13 Zeng Qi was placed first in the “Large Vehicle” category at the third Chongqing Driving Instructors’ Skills Competition

## CityCab (Shenyang)

- 14 AAA Taxi Enterprise for Service Quality for 2015
- 15 Contract Observing and Trustworthy Company of Shenyang for 2015

## CityFleet Networks

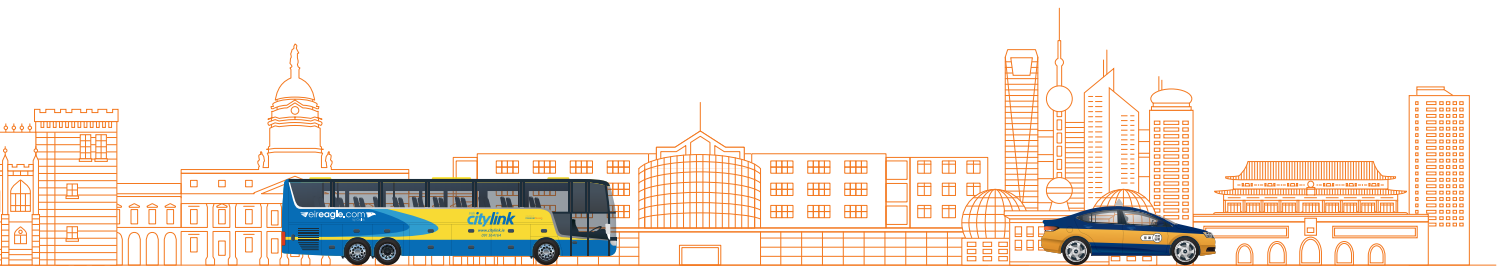
- 16 ISO 9001:2015 Quality Management System Certification
- 17 ISO 14001:2015 Environmental Management System Certification

## ComfortDelGro Bus

- 18 9 National Kindness Award-Transport Gold 2016 winners

## ComfortDelGro Corporation Australia

- 19 Jim Glasson, former CEO of ComfortDelGro Cabcharge, was awarded the 2016 Outstanding Contribution to the Bus Industry Award
- 20 Fala Faatamala was awarded the 2016 Bus NSW Rural and Regional Bus Driver of the Year Award



21 Duc Huu Nguyen, Danny, was Finalist for the Passion! Award 2015

### ComfortDelGro Driving Centre

22 'Assisted Compliance Assurance Programme (ACAP) Premium' status by the Inland Revenue Authority of Singapore

23 Certified On-the-Job Training Centre by the Institute of Technical Education

24 ISO 9001:2008 Quality Management System Certification

25 Mohamed Isman Bin Mohamed Sadri was Finalist for the Passion! Award 2015

26 People Developer Singapore Certification by SPRING Singapore

27 Singapore Quality Class Star Certification by SPRING Singapore

### ComfortDelGro Engineering

28 25 National Kindness Award-Transport Gold 2016 winners

29 76 Excellent Service Award winners

30 bizSAFE Star Recertification by the Ministry of Manpower

31 BS OHSAS 18001:2007 Occupational Health and Safety Management System Recertification

32 Foo Kok Poo was Finalist for the Passion! Award 2015

33 Plaque of Commendation Award by NTUC at the May Day Award 2016

### ComfortDelGro Irish Citylink

34 2016 Winner in the Travel Sector by Customer eXperience Insights (CXi)

35 Fifth out of 100 brands in the CXi survey

### ComfortDelGro Taxi

36 208 Excellent Service Award winners

37 50 National Kindness Award-Transport Gold 2016 winners

38 Daniel Donny Yeo was Finalist for the Passion! Award 2015

39 Favourite Taxi Agency at the Travellers' Choice Awards 2016 by TripAdvisor

40 Finalist in the "Excellence in Employee Work-Life Balance" category at the HR Excellence Awards 2016

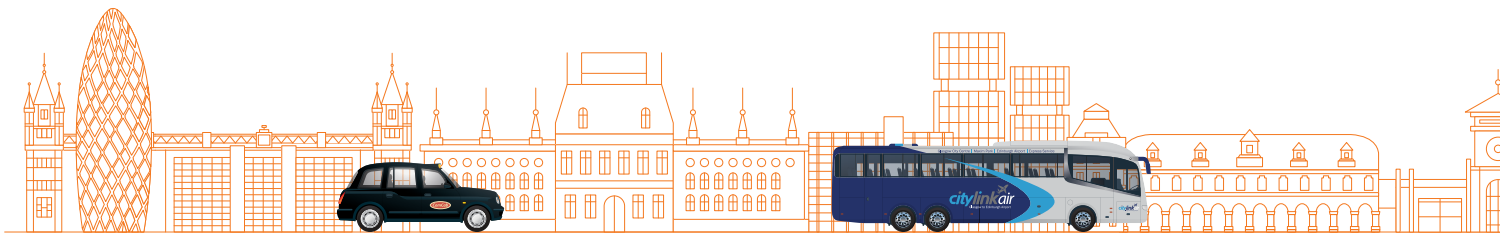
41 May Day Partnership Award for Outstanding Support to the Drive and Save Scheme

42 One of the Best Companies to Work For in Asia in 2016 by HR Asia

43 Roger Lim was awarded Merit (Safe Driver – Taxi Fleet) and Pek Ban Choon was awarded Champion (Safe Driver – Taxi Fleet) at the Singapore Road Safety Award 2015 by the Singapore Road Safety Council

44 Weng Dianlai was Finalist at the Singapore Tourism Awards 2016 by the Singapore Tourism Board

# AWARDS AND ACCOLADES



## Computer Cab (Liverpool)

45 Winner of the 'Best Taxi Company' category at the Liverpool Lifestyle Awards

## Guangzhou Xin Tian Wei Transportation Development

- 46 Advanced Company for Propaganda and Reporting for 2015 by Guangzhou Road Transport Magazine
- 47 Advanced Youth League General Branch by the Guangzhou Transport Group
- 48 Lin Heng was awarded "Outstanding Cadre of Youth League"
- 49 Yang Wei, Wang Pan and Zeng Langrui were awarded "Outstanding Youth League Member"
- 50 Zhong Biyun was awarded "Outstanding Skilled Youth On Post"
- 51 Huang Zhirui was Finalist for the Passion! Award 2015
- 52 Outstanding Unit in Fire Safety for 2015 by the Guangzhou Transport Group
- 53 Outstanding Unit in Information Service Management for 2015 by the Guangzhou Transport Group

54 Lu Jianhui and Zhong Wanzhu were awarded Advanced Information Service Management by the Guangzhou Transport Group

## Jilin ComfortDelGro Taxi

55 Youth Civilisation Award for 2014-2015 by the Jilin City Civilisation Office

## Metroline

- 56 Bus Operator of the Year Award at the 2016 London Transport Awards
- 57 Hirji Hirani was Finalist in the Top London Bus Driver category at the 2016 UK Bus Awards
- 58 Kingsley Tomlin was Finalist for the Passion! Award 2015
- 59 Uxbridge Garage was Finalist in the London Garage of the Year category at the 2016 UK Bus Awards

## Moove Media

- 60 BS OHSAS 18001:2007 Occupational Health and Safety Management System Recertification
- 61 Gold in the Best Media Solution – Out of Home category at the Spark Awards 2016
- 62 Most Innovative Contribution to a Campaign by a Media Owner at the Singapore Media Awards 2016

63 Team of the Year – Advertising at the Singapore Business Review Management Excellence Awards 2016

## SBS Transit

- 64 Gan Juay Kiat, CEO of SBS Transit, was awarded the Medal of Commendation by NTUC at the May Day Award 2016
- 65 145 National Kindness Award-Transport Gold 2016 winners
- 66 1,576 Excellent Service Award winners
- 67 Chung Sing Loong was awarded Champion (Most Improved Driver) and Yue Leong Phang was awarded Champion (Safe Driver) at the Singapore Road Safety Award 2015 by the Singapore Road Safety Council
- 68 ISO 9001:2008 Quality Management System Certification
- 69 Lim Yew Huat received "Customer Service Professional of the Year" title and Pang Swee Yong received "Merit – Customer Service Professional of the Year" title from the Asia Pacific Customer Service Consortium





70 May Day Partnership Award for Outstanding Support to the Public Transport Committee by NTUC

71 Murali A/L Lekshmanan won the Passion! Award 2015

72 Liaw Su Ching was Finalist for the Passion! Award 2015

73 People Developer Singapore Certification by SPRING Singapore

74 Roy Ong, Lim Yew Huat, Pang Swee Yong, and Susan Hoon received the Outstanding Service Individual (Public Transport) Award at the Land Transport Excellence Awards 2016

75 Singapore Quality Class Star Certification by SPRING Singapore

76 Singapore Service Class (S-Class) Certification by SPRING Singapore

77 U SAFE SPARKS Award by NTUC

**Setso Services (SETSCO)**

78 Sze Thiam Siong, General Manager of SETSCO, was conferred the Distinguished Partner Award by SPRING Singapore

79 BS OHSAS 18001:2007 Occupational Health and Safety Management System Certification

80 Certificate of Appreciation from the Singapore Environmental Council

81 Eco-Office Label 2016-2019

82 ISO 50001:2011 Energy Management System Certification

83 Madhavan Krishnamurthy was Finalist for the Passion! Award 2015

84 Safety Excellence Award by the Petrochemical Corporation of Singapore

85 Safety Performance Award by ExxonMobil

86 Special Recognition Memento by SPRING Singapore

87 Valued Industry Partner by Republic Polytechnic

88 Workplace Safety and Health bizSAFE Level Star Certification

**Shenyang ComfortDelGro Taxi**

89 AAA Operating Qualification Enterprise for 2015

**Swan Taxis**

90 Martin Laughton was Finalist for the Passion! Award 2015

**VICOM**

91 Eco-Office Label 2016-2019

92 Merit for the Singapore Corporate Governance Award in the Big Cap category at the 17th Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2016

93 Singapore Quality Class Star Certification by SPRING Singapore

**Vietnam Taxi (Vinataxi)**

94 Certificate of Merit by the Department of Traffic & Transport

95 "Commendation of Typical Enterprise Owners 2015" Award by the Ho Chi Minh City Export Processing and Industrial Zones Authority (HEPZA) and the Ho Chi Minh City Trade Union Federation

96 Outstanding Trade Union 2015 and Certificate of Merit by HEPZA

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

# CORPORATE INFORMATION

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## Board of Directors

**Lim Jit Poh**  
Chairman

**Kua Hong Pak**  
Managing Director/  
Group Chief  
Executive Officer

**Ong Ah Heng**  
**Oo Soon Hee**  
**Sum Wai Fun, Adeline**  
**Tow Heng Tan**  
**Wang Kai Yuen**  
**Wong Chin Huat, David**

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## Audit and Risk Committee

**Sum Wai Fun, Adeline**  
Chairman  
(Appointed as Chairman on  
1 January 2017)

**Ong Ah Heng**  
**Oo Soon Hee**  
**Wong Chin Huat, David**

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## Remuneration Committee

**Wang Kai Yuen**  
Chairman  
(Appointed as Chairman on  
1 January 2017)

**Lim Jit Poh**  
**Tow Heng Tan**  
**Wong Chin Huat, David**

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## Nominating Committee

**Lim Jit Poh**  
Chairman

**Ong Ah Heng**  
**Oo Soon Hee**  
**Wang Kai Yuen**

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## Investment Committee

**Lim Jit Poh**  
Chairman

**Kua Hong Pak**  
**Sum Wai Fun, Adeline**  
**Tow Heng Tan**  
**Wang Kai Yuen**

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## 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

**Company Secretary**  
Chan Wan Tak, Wendy

**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:  
Philip Yuen Ewe Jin

Date of Appointment:  
26 April 2013

## BOARD OF DIRECTORS



### LIM JIT POH

#### CHAIRMAN (NON-EXECUTIVE & INDEPENDENT)

Date of appointment as Director of the Company: 1 January 2003

Mr Lim Jit Poh has been the non-executive Chairman and Director of ComfortDelGro Corporation Limited since 2003. He is an Independent Director of the Company. Mr Lim is the Chairman of both the Nominating Committee and Investment Committee, and a member of the Remuneration Committee. Mr Lim is also the Chairman of SBS Transit Ltd and VICOM Ltd. These are listed companies with business interest in land transport and inspection and testing services. Mr Lim is also the Chairman of several non-listed companies owned by the Singapore Labour Foundation, the National Trades Union Congress (NTUC) and CapitaLand Limited Group.

Mr Lim was a former top civil servant and a Fulbright Scholar. He was awarded the Public Administration Medal by the Government of Singapore 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, the 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.

*Date of last re-appointment as Director of the Company:  
28 April 2016*



### KUA HONG PAK

#### MANAGING DIRECTOR/GROUP CHIEF EXECUTIVE OFFICER

Date of appointment as Director of the Company: 1 January 2003

Mr Kua Hong Pak has been the Managing Director/Group Chief Executive Officer of ComfortDelGro Corporation Limited since 2003. He is a non-independent Director of the Company. He is a member of the Investment Committee. He is also the Deputy Chairman of SBS Transit Ltd and VICOM Ltd. Mr Kua was appointed the Executive Director of SBS Transit Ltd in 2002 and then went on to assume the position of Managing Director/Chief Executive Officer of DelGro Corporation Limited in 2003. Prior to this, he was the President/Chief Executive Officer of Times Publishing Limited, where he managed its Singapore and overseas operations in the United States, United Kingdom, China, Japan, Hong Kong and Australia.

Mr Kua also serves on the boards of Temasek Holdings (Private) Limited, PSA International Pte Ltd and PSA Corporation Limited. He is also an Honorary Citizen of Shenyang City, China. In recognition of his contributions to community service, he was awarded the Public Service Medal in 1991, the Public Service Star in 1996 and the Public Service Star (Bar) in 2016 by the President of the Republic of Singapore and re-appointed a Justice of the Peace in 2015. He was awarded the Medal of Commendation in 2005 and the Medal of Commendation (Gold) in 2010 by the National Trades Union Congress.

Mr Kua holds a Bachelor of Accountancy from the University of Singapore and is a Fellow of the United Nations Asian Institute. He also attended the Advanced Management Programme at the Harvard Business School.

*Date of last re-appointment as Director of the Company:  
28 April 2016*

## BOARD OF DIRECTORS



### ONG AH HENG

#### **DIRECTOR (NON-EXECUTIVE & INDEPENDENT)**

Date of appointment as Director of the Company: 18 February 2003

Mr Ong Ah Heng has been a non-executive Director of ComfortDelGro Corporation Limited since 2003. He is an independent Director of the Company. Mr Ong is a member of both the Audit and Risk Committee and Nominating 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.

*Date of last re-appointment as Director of the Company:  
28 April 2016*



### O O SOON HEE

#### **DIRECTOR (NON-EXECUTIVE & INDEPENDENT)**

Date of appointment as Director of the Company: 18 February 2003

Mr Oo Soon Hee has been a non-executive Director of ComfortDelGro Corporation Limited since 2003. He is an independent Director of the Company. He is a member of both the Audit and Risk Committee and Nominating Committee. Mr Oo is presently the Adviser to NSL Ltd and a Director of Natsteel Holdings Pte Ltd. He was the former Executive Director of NSL Ltd and the former President and Chief Executive Officer of Natsteel Asia Pte Ltd.

Over the past 30 years, Mr Oo has had experiences handling export development and exports/imports to and from various overseas markets. These include the United States, Europe, Middle East, China, Japan, Australia and the ASEAN region. In addition, he was also involved in negotiations for investments in China and various ASEAN countries, and sat on the boards of companies in China, Hong Kong, Australia and the ASEAN region.

Mr Oo holds a Bachelor of Science (Hons) in Applied Chemistry and a Diploma in Business Administration from the University of Singapore.

*Date of last re-appointment as Director of the Company:  
28 April 2016*



## **SUM WAI FUN, ADELINE**

### **DIRECTOR (NON-EXECUTIVE & INDEPENDENT)**

Date of appointment as Director of the Company: 1 January 2007

Ms Sum Wai Fun, Adeline has been a non-executive Director of ComfortDelGro Corporation Limited since 2007. She is an independent Director of the Company. She is the Chairman of the Audit and Risk Committee and a member of the Investment Committee. Ms Sum is presently the Deputy CEO (Strategic Alignment) of NTUC Enterprise Co-operative Limited and Managing Director (Corporate Strategy) of NTUC Fairprice Co-operative Limited. She holds directorships in the NTUC Enterprise Group.

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.

*Date of last re-election as Director of the Company:  
28 April 2016*



## **TOW HENG TAN**

### **DIRECTOR (NON-EXECUTIVE & INDEPENDENT)**

Date of appointment as Director of the Company: 18 February 2003

Mr Tow Heng Tan has been a non-executive Director of ComfortDelGro Corporation Limited since 2003. He is an independent Director of the Company. Mr Tow is a member of both the Remuneration Committee and Investment Committee.

Mr Tow is currently the Chief Executive Officer of Pavilion Capital International Pte Ltd, a North Asia focus investment firm that is wholly-owned and funded by Temasek International Pte Ltd. Prior to joining Pavilion Capital, Mr Tow was the Chief Investment Officer of Temasek Holdings.

Mr Tow also sits on the board of Keppel Corporation Limited, among others.

Mr Tow is a Fellow of the Association of Chartered Certified Accountants (UK), a Fellow of the Chartered Institute of Management Accountants (UK) and is a Member of the Institute of Singapore Chartered Accountants

Mr Tow will retire pursuant to Article 91 of the Company's Articles of Association and he will not be seeking re-election at the forthcoming Annual General Meeting on 26 April 2017.

*Date of last re-election as Director of the Company:  
24 April 2015*

## BOARD OF DIRECTORS



### WANG KAI YUEN

#### DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Date of appointment as Director of the Company: 18 February 2003

Dr Wang Kai Yuen has been a non-executive Director of ComfortDelGro Corporation Limited since 2003. He is an independent Director of the Company. Dr Wang is the Chairman of the Remuneration Committee and a member of both the Nominating Committee and 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.

*Date of last re-election as Director of the Company:  
24 April 2015*



### WONG CHIN HUAT, DAVID

#### DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Date of appointment as Director of the Company: 11 April 2003

Mr Wong Chin Huat, David has been a non-executive Director of ComfortDelGro Corporation Limited since 2003. He is an independent Director of the Company. Mr Wong is a member of both the Audit and Risk Committee and Remuneration Committee.

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

Mr Wong is also a Director of SBS Transit Ltd. 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 NTUC. Mr Wong also received a Certificate of Appreciation from SLF 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.

*Date of last re-election as Director of the Company:  
28 April 2016*

## KEY MANAGEMENT



CHOO CHEK SIEW



NEO ENG HOE



CHAN MUI WAH, DAISY



TAN I-LIN, TAMMY

### CORPORATE OFFICE

#### CHOO CHEK SIEW

##### GROUP FINANCIAL OFFICER

Mr Choo Chek Siew is the Group 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.

#### CHAN MUI WAH, DAISY

##### GROUP HUMAN RESOURCE OFFICER

Ms Chan Mui Wah, Daisy is the Group 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.

#### NEO ENG HOE

##### GROUP INFORMATION OFFICER

Mr Neo Eng Hoe was appointed Group 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.

#### TAN I-LIN, TAMMY

##### GROUP CORPORATE COMMUNICATIONS OFFICER

Ms Tan I-Lin, Tammy was appointed Group 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.

## KEY MANAGEMENT



CHOO PENG YEN



ENG SOK YONG



ONG POH SIM, MAY



CHAN WAN TAK, WENDY

## CORPORATE OFFICE

### CHOO PENG YEN

#### GROUP INVESTOR RELATIONS AND SPECIAL PROJECTS OFFICER

Mr Choo Peng Yen was appointed Group Investor Relations and Special Projects Officer on 1 November 2010. 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).

### ONG POH SIM, MAY

#### GROUP INTERNAL AUDIT OFFICER

Ms Ong Poh Sim, May is the Group Internal Audit Officer. She is responsible for the internal audit functions of the Group. She joined the Group in 1981 as Internal Auditor and was subsequently appointed to head the Internal Audit Department. Ms Ong holds a Bachelor of Accountancy from Nanyang University.

### ENG SOK YONG

#### GROUP BUSINESS DEVELOPMENT OFFICER

Ms Eng Sok Yong, Group Business Development Officer, joined the Group in February 2007. She also holds the concurrent position of Senior Vice President of Corporate Development at SBS Transit Ltd, which is a subsidiary of the Group. Prior to this, she was the Group Director of Policy and Planning at the Land Transport Authority, where she was in charge of its corporate communications, policy development, infrastructure and strategic planning departments. She had previously served as Assistant Director in the Ministry of Trade and Industry. Ms Eng, who was a Public Service Commission (PSC) Scholar, holds a Master of Science from the London School of Economics.

### CHAN WAN TAK, WENDY

#### 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 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.





YANG BAN SENG



GAN JUAY KIAT



SIM WING YEW



CHUA TECK LEONG, JIMMY

## BUSINESS UNITS SINGAPORE

### YANG BAN SENG

**CHIEF EXECUTIVE OFFICER,  
TAXI BUSINESS, COMFORTDELGRO**

Mr Yang Ban Seng is the Chief Executive Officer of Taxi Business in Singapore. He oversees 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' Secretary for Co-operatives. 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.

### 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.

### GAN JUAY KIAT

**CHIEF EXECUTIVE OFFICER,  
SBS TRANSIT**

Mr Gan Juay Kiat was appointed Chief Executive Officer of SBS Transit Ltd on 1 March 2010. He joined the Group in February 2006 as Group Corporate Planning Officer. He was the Chief Executive Officer and Director of ComfortDelGro Bus Pte Ltd before assuming the role of Chief Operating Officer of SBS Transit in April 2007. He was appointed Executive Director on 1 March 2009. Prior to joining the Group, Mr Gan was Chief Corporate Officer at the Ascott Group, Senior Vice President (Corporate Planning) at CapitaLand Limited, Senior Vice President (Retail & Distribution) at Times Publishing Limited and Divisional Director at General Electric. He started his career in the Singapore Armed Forces (SAF) where he held several senior command and staff appointments. In 2016, he was awarded the Medal of Commendation by the National Trades Union Congress for his contributions to the promotion of harmonious labour-management relations. Mr Gan, who was a President's Scholar and an SAF (UK) Scholar, holds a Bachelor of Arts (Engineering Tripos) from the University of Cambridge, United Kingdom.

### CHUA TECK LEONG, JIMMY

**CHIEF EXECUTIVE OFFICER,  
COMFORTDELGRO INSURANCE BROKERS**

Mr Chua Teck Leong, Jimmy is the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd. He is responsible for all aspects of the Group's insurance, claims and risk management activities. Prior to joining the Group, Mr Chua was the Chief Executive Officer of Zuellig Insurance Brokers Pte Ltd. Mr Chua graduated from the University of Singapore with a Bachelor of Arts (Hons) and holds a Master of Business Administration from the University of Hull, United Kingdom. In recognition of his contribution to community service, Mr Chua was awarded the Public Service Medal (PBM) in 1997 and the Public Service Star (BBM) in 2001. He was appointed a Justice of the Peace in 2005.

## KEY MANAGEMENT



HUAM CHAK KHOON

JAYNE KWEK

PANG WENG HENG

ONG BENG TIN, MARY

ANG SOO HOCK

### BUSINESS UNITS SINGAPORE

#### HUAM CHAK KHOON

**CHIEF EXECUTIVE OFFICER,  
COMFORTDELGRO DRIVING CENTRE**

Mr Huam Chak Khoon is the Chief Executive Officer of ComfortDelGro Driving Centre Pte Ltd. He was responsible for the setting-up and operation of the Driving Centre when he was appointed its Executive Director in 1996. Mr Huam joined the Group in 1984 as a Trainer. Mr Huam holds a Bachelor of Commerce from Nanyang University, a Graduate Diploma in Training and Development from the Singapore Institute of Management, and a Master of Science in Education and Training from the University of Leicester, United Kingdom.

#### 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.

#### 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.

#### 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.

#### ANG SOO HOCK

**CHIEF OPERATING OFFICER,  
COMFORTDELGRO ENGINEERING**

Mr Ang Soo Hock was appointed Chief Operating Officer of ComfortDelGro Engineering Pte Ltd on 1 May 2012. Mr Ang first joined the Company as Taxi Fleet Maintenance Engineer in July 1998. In 2003, he assumed the responsibility of Branch Manager, Sin Ming, overseeing the maintenance of both the taxi and private car fleets, 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.



JASPAL SINGH



CHENG SIAK KIAN



YAP SOON HUA, NICHOLAS



YEO SEE PENG

**BUSINESS UNITS**  
UNITED KINGDOM/IRELAND

**JASPAL SINGH**  
CHIEF EXECUTIVE OFFICER, UNITED KINGDOM/  
IRELAND BUSINESS UNIT

Mr Jaspal Singh is the Chief Executive Officer of the United Kingdom/Ireland Business Unit. He was a Colombo Plan Scholar and joined the Administrative Service in 1978. Over the years, he held many senior-level appointments, including Deputy Secretary in the Ministries of Finance and Transport. Mr Singh also held various directorships on the boards of Government-linked companies. He holds a Bachelor of Arts (Economics) and a Bachelor of Engineering (Industrial Engineering) (Hons Class One) from the University of Newcastle, Australia, and a Master of Public Administration from the Kennedy School, Harvard University, USA. He has also completed the Advanced Management Programme at the Harvard Business School.

**BUSINESS UNITS**  
AUSTRALIA

**CHENG SIAK KIAN**  
CHIEF EXECUTIVE OFFICER,  
COMFORTDELGRO CORPORATION AUSTRALIA (NSW)

Mr Cheng Siak Kian was appointed Chief Executive Officer of ComfortDelGro Corporation Australia (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.

**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.

**YEO SEE PENG**  
CHIEF EXECUTIVE OFFICER,  
SWAN TAXIS

Mr Yeo See Peng was appointed Chief Executive Officer of Swan Taxis Pty Ltd in Perth, Western Australia on 2 January 2015. He joined the Group in December 2013, serving as Senior Vice President, Fleet Services of ComfortDelGro's Taxi Business in Singapore. Prior to this, Mr Yeo served in both the Ministry of Defence and the Singapore Armed Forces (SAF) for about 30 years, where he held several senior command and staff appointments. Mr Yeo, who was an SAF Merit Scholar, holds a Bachelor and Master of Arts from the University of Oxford, United Kingdom, as well as a Master of Public Administration from the University of Harvard, USA.

## KEY MANAGEMENT



LEONG KWOK SUN



TAN SEOW BOON, SIMON



TANG YEW MENG, RICHARD



TAY CHEW LIANG, MARC

## BUSINESS UNITS

### CHINA

#### LEONG KWOK SUN

**CHIEF EXECUTIVE OFFICER,  
NORTH CHINA BUSINESS UNIT**

Mr Leong Kwok Sun is the Chief Executive Officer of the North China Business Unit. He is responsible for the supervision and development of North China businesses. Prior to joining the Group, Mr Leong was the Senior Vice President in Times Publishing Limited. He has held senior positions in various organisations in his more than 30 years of working life with extensive experience in the manufacturing industries, and managed overseas operations, especially in China. Mr Leong is a registered professional Engineer and was trained in West Germany on Marine Engineering and Special Ship Construction. He holds a Bachelor of Engineering from the University of Singapore.

#### 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).

#### TAN SEOW BOON, SIMON

**CHIEF EXECUTIVE OFFICER,  
WEST CHINA BUSINESS UNIT**

Mr Tan Seow Boon, Simon 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 and Chongqing. Mr Tan joined the Group in 1995 and was one of the first executives to be posted to China in 1997. He was the General Manager of Shanghai Shen Xin Bus Service Ltd and Shanghai City Qi Ai Taxi Services Co., Ltd. Prior to joining the Group, he was an Investigations Officer with the Republic of Singapore Police Force. Mr Tan holds a Bachelor of Science (Hons) from the University of London.

#### TAY CHEW LIANG, MARC

**CHIEF EXECUTIVE OFFICER,  
SOUTH CHINA BUSINESS UNIT**

Mr Tay Chew Liang, Marc is the Chief Executive Officer of the South China Business Unit, overseeing the operation of Guangzhou Xin Tian Wei Transportation Development Co., Ltd. He was appointed General Manager of Nanning Comfort Transportation Co., Ltd on 1 May 2016. 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 nearly 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.



LIM MENG HOCK, ALAN



LIM CHAI HWEE



CHIA WING TOO, ERIC

**BUSINESS UNITS**  
VIETNAM

**LIM MENG HOCK, ALAN**  
GENERAL DIRECTOR,  
COMFORTDELGRO SAVICO TAXI

Mr Lim Meng Hock, Alan was appointed the General Director of ComfortDelGro Savico Taxi Company in November 2007. He joined the Group in 1981 and has served in various administration, purchasing, planning, operational and business development positions within the Group. Mr Lim holds Diplomas in Chemical Process Technology from the Singapore Polytechnic and Management Studies from the Singapore Institute of Management.

**LIM CHAI HWEE**  
GENERAL DIRECTOR,  
VIETNAM TAXI

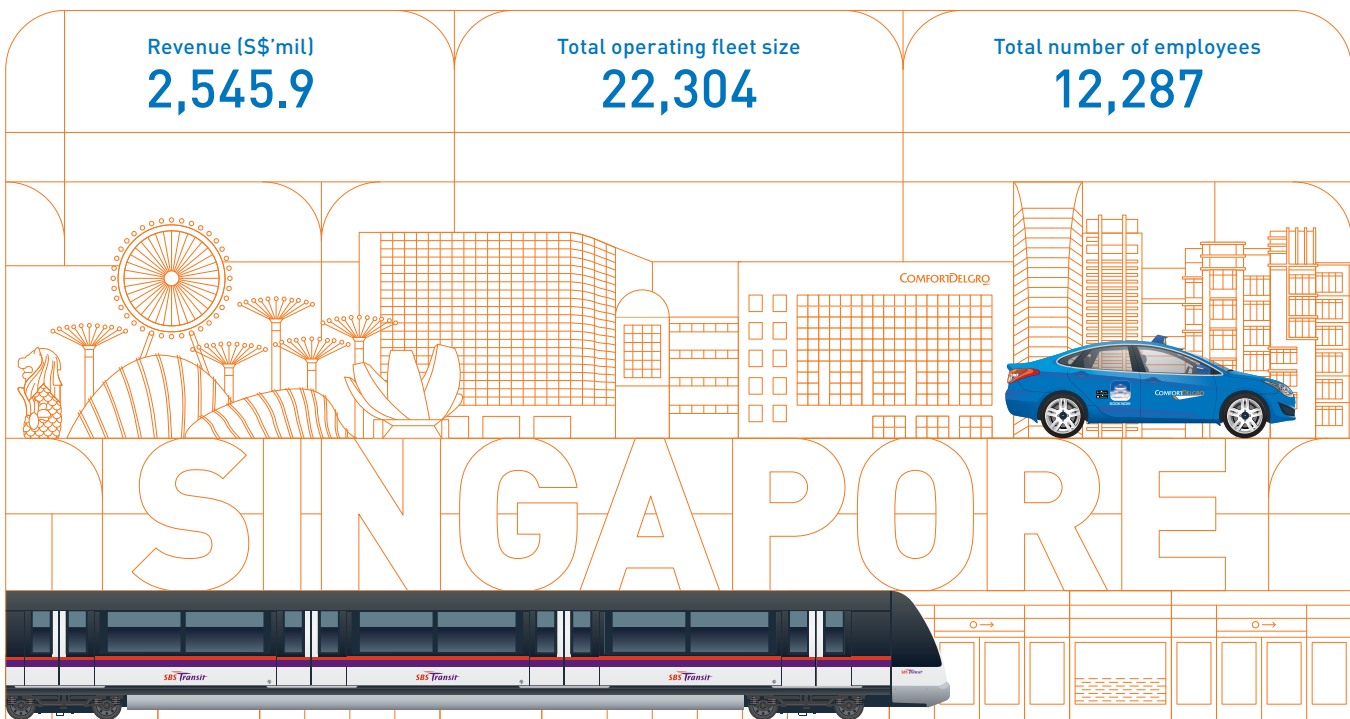
Mr Lim Chai Hwee is the General Director of Vietnam Taxi Co., Ltd. Mr Lim joined the Group in 2006. He held appointments in Operations, Route Group Development and Safety departments of the bus business area of SBS Transit Ltd. Prior to joining the Group, Mr Lim has had stints in the security and financial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

**BUSINESS UNITS**  
MALAYSIA

**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



Public Transport Services (Bus and Rail) • Taxi • Automotive Engineering Services  
Inspection & Testing Services • Driving Centre • Car Rental & Leasing • Insurance Broking Services • Outdoor Advertising

## Public Transport Services

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

### Scheduled Bus

For the year in review, our public-listed scheduled bus subsidiary, SBS Transit Ltd, took delivery of 248 new buses, of which 159 were double decks. In all, it operates about 3,000 buses and 202 bus routes, including one premium bus service.

In addition to adding more new routes during the year, it also converted 46 existing routes into wheelchair-accessible ones, as more ground infrastructure became barrier-free. This means that about 96% or 193 bus routes that SBS Transit operates are wheelchair-accessible; making it more convenient for passengers-in-wheelchairs (PIWs) to get around.

To cater to the increase in passenger volume and bus routes, a second interchange – the Tampines Concourse Interchange, which is just 250m away from the existing one – was opened. The new interchange can accommodate six services and is also the first interchange to offer a handphone charging station for the convenience of commuters. Other facilities

include a water cooler, a nursing room and an Automated External Defibrillator. The interchange also features dedicated boarding points for PIWs and priority queues with seats for the disabled and seniors. SBS Transit took over the operation of this bus interchange in December 2016 and is operating three bus services there.

In September 2016, SBS Transit transitioned to the new Bus Contracting Model (BCM) after the expiry of its Bus Service Operating Licence on 31 August 2016. Under the new Negotiated Contract (NC) with the Land Transport Authority (LTA), SBS Transit is paid a fee to operate bus services while fare revenue is taken by the LTA. SBS Transit will operate 196 bus routes under eight bus contracts. The duration of these contracts ranges from two to 10 years, with seven years being the average.

Under the terms of the NC, SBS Transit's fleet of buses is leased to the LTA while it continued to operate from its existing bus interchanges, terminals and depots. Its Soon Lee Depot was also recently re-evaluated and leased to the LTA as part of the BCM. SBS Transit's bus services under the BCM will come under the Bus Service Reliability Framework, which is an incentive-penalty scheme aimed at improving en-route

bus regularity and reducing bunching and waiting times.

SBS Transit also played a caretaker role during the year by running 13 of its existing bus services, which come under the Seletar Bus Package. SBS Transit was paid a fee and will continue to run these services until 2018. The LTA is currently evaluating the nine bids, including SBS Transit's, that were submitted in October 2016.

In September 2016, SBS Transit also assisted Go-Ahead Singapore, which had been awarded the tender to operate the Loyang Bus Package, by providing 36 of its Bus Captains and staff to operate two of their bus routes – Services 358 and 359 in Pasir Ris. This was for a period of between two and three months while it addressed its staffing issues.

As at end of 2016, SBS Transit operated about 60% of the bus services in Singapore.

#### **Unscheduled Bus**

The Group's wholly-owned subsidiary, ComfortDelGro Bus Pte Ltd, is Singapore's largest private bus chartering company with a total fleet of 348 buses<sup>1</sup>. It offers employee and school bus charters as well as overland bus services to West Malaysia. It also operates premium bus services, as well as shuttle bus services for industrial parks, shopping malls, educational institutions and condominiums.

During the year, ComfortDelGro Bus provided bus services for events such as the Republic of Singapore Air Force Open House, Chingay Parade, Istana Garden Party, National Day Rally, Standard Chartered Marathon, OCBC Cycle, Singapore Airlines F1 Shuttle as well as the ASEAN University Games 2016.

In September 2016, ComfortDelGro Bus put its fleet of 39 National University

of Singapore (NUS) shuttle buses on a wireless mesh technology trial launched by Veniam and Starhub Ltd. With this trial, students and staff of NUS were able to surf on board the shuttle buses – for free.

Demand for its five premium bus services remained strong in 2016.

#### **Rail**

For the year in review, demand for SBS Transit's rail services continued to grow with over 329 million passenger trips made. This is a 27% increase over the previous year. The spike came from the Downtown Line (DTL), which added on 12 more stations in December 2015. Ridership hit 80.7 million during the year, which almost tripled that of 2015.

Average daily ridership on the North East Line (NEL) grew by 5.2% to 564,701, while that of the Sengkang and Punggol Light Rail Transit systems (SPLRT) saw a double-digit growth of 15.3% to 114,094.

During the year, two stations – Sam Kee and Punggol Point – on the Punggol West LRT system opened for revenue service. SBS Transit also rolled out a two-car train system during peak hours on the Sengkang East and West Loops as well as the Punggol East Loop to provide commuters with increased capacity and a more comfortable ride.

To cater to growing demand for rail services, SBS Transit took delivery of 12 new trains for NEL, bringing its total train fleet to 43. As for SPLRT, SBS Transit took delivery of 16 new Light Rail Vehicles (LRVs) during the year. To date, SPLRT fleet comprises 57 LRVs.

In tandem with passenger demand, SBS Transit added more trips to the schedules of both its NEL and SPLRT to better cater to travel needs. On NEL, 200 more weekly trips were introduced, while 1,836 weekly trips were added to SPLRT.

To improve service reliability, SBS Transit adopted the ISO 55001 Asset Management Framework. The structured framework provides the requirements for good asset management that would enable the Company to balance risk, performance and costs. SBS Transit also carried out risk analysis of its failure trends and implemented intervention and action plans to improve service reliability.

By improving operation and maintenance efficiency as well as replacing ageing equipment, SBS Transit minimised disruptions or delays lasting more than five minutes. As a result, the Mean Kilometre Between Failure (MKBF) – a reliability measure used globally in the rail industry – for NEL in the fourth quarter of 2016 improved to 328,000 train-KM compared to 174,000 train-KM for the whole of 2016. The MKBF for DTL was 260,000 train-KM and 72,000 train-KM for SPLRT in 2016.

#### **Taxi**

ComfortDelGro Taxi remained Singapore's largest taxi operator with a combined fleet of 16,822 Comfort and CityCab taxis.

Despite strong competition, ComfortDelGro Taxi's volume of booking jobs remained strong during the year. It clocked 10 million booking jobs on 15 April 2016 as its taxi booking app gained in popularity, accounting for half of total booking jobs. An upgraded despatch algorithm and active marketing promotions also helped boost demand. New records were also set for the highest number of successful booking jobs achieved in a single day.

In November 2016, ComfortDelGro Taxi clocked 30 million booking jobs for the second consecutive year. Not only was the 30 millionth passenger rewarded with a promo code worth S\$300, the lucky cabby, who had picked the passenger up, also received S\$300 worth of vouchers. To mark the

<sup>1</sup> Includes sub-contractors' buses

## OPERATIONS REVIEW

milestone, ComfortDelGro Taxi waived S\$8 off the metered taxi fare for the first 1,000 passengers, between 3pm and 3am for seven days, and waived the call levy fee of all bookings that its taxi drivers accepted over two days.

Since the ComfortDelGro taxi booking app was launched in 2010, it has been downloaded 3.66 million times. Through it, passengers are able to rate the service levels of taxi drivers the moment trips are completed. In 2016, many of the taxi drivers were encouraged by the five-star ratings that they had received.

ComfortDelGro Taxi, which was the first taxi operator to accept MasterPass™, a cardless payment in 2015, became the first taxi operator in 2016 to accept mobile phone payments such as Apple Pay, Samsung Pay and Android Pay. These new payment modes, coupled with the return of VISA cards, resulted in a 10% growth in cashless payments.

As part of its marketing efforts, ComfortDelGro Taxi went on social media in 2016 – Twitter (@CDGtaxi\_sg) in January; Instagram (@cdgtaxi) three months later in April; and Facebook (@ComfortDelGroTaxi) in October 2016. More than 80 promotions, offering discounts off taxi fares, were pushed out across these platforms. To-date, over 36,000 followers have liked these accounts.

Always conscious of its carbon footprint, ComfortDelGro Taxi upped its Green quotient by trialling two Toyota Prius petrol-electric hybrid taxis in January 2016, and rolled out 200 more by the end of the year. Another 1,000 Prius taxis are expected to replace the Hyundai Sonata taxis over the next two years. The Company also started to trial the Hyundai Ioniq petrol-electric hybrid taxi, which is similar to the Prius.

ComfortDelGro Taxi continued to look after the welfare of its taxi drivers. One of the ways in which it did so was to move away from the traditional fixed-rental business model to one in which

the Company co-shares revenue risk with its hirers. This was a welcome move by taxi drivers and as at end-February 2017, over 2,200 of them have made the switch to this new rental scheme.

A third round of health screening and coaching sessions under the “Check Car, Check Body” health screening and intervention programme, which was launched more than two years ago, was conducted in July 2016. About 3,900 taxi drivers participated. Since its launch, some 11,000 taxi drivers have benefited from the programme.

In addition, the free access that taxi drivers have to ActiveSG facilities such as gymnasiums and swimming pools every Wednesday was extended for another two years until the end of 2017. The Company also partnered ComfortDelGro Insurance Brokers Pte Ltd and AXA Insurance Singapore to offer taxi drivers free eye checks.

The Company continued with the tradition of extending financial aid to its taxi drivers by helping them defray the educational fees of their children. In 2016, 1,531 Primary and Secondary level students received over S\$220,000 worth of study achievement awards, more than double the number of students who qualified in 2015.

In December 2016, ComfortDelGro Taxi launched its first-ever Cabby Hardship Fund to assist its taxi drivers and their immediate families who require financial aid arising from death, total and permanent incapacity, as well as serious chronic medical conditions. Managed by a committee made up of Management staff and the Company's taxi representatives, it assesses all aid requests and disburses the funds based on the merits of each case. ComfortDelGro Taxi kick-started the Fund by donating 50 cents for every booking job completed by taxi drivers on Christmas Day and collecting donations from staff. Over S\$50,000 was raised as a result.

For all its efforts, ComfortDelGro Taxi was named the Favourite Taxi Agency at the Travellers' Choice Awards by TripAdvisor for the third year running.

### Automotive Engineering Services

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

During the year, ComfortDelGro Engineering took over the repair of all Hyundai i-40 taxi crash repairs from a competitor, thus raising its revenue from this segment.

A year after adopting the predictive maintenance approach, taxi breakdown rates have dropped. This system essentially uses computers to prompt technicians to replace parts before they reach the end of their lifespan.

ComfortDelGro Engineering's bus assembly unit assembled a total of 366 Volvo double deck buses for the LTA.

As for its external car care business, ComfortDelGro Engineering successfully secured 14 new accounts.

During the year, ComfortDelGro Engineering partnered ExxonMobil to offer a fuel discount card to its corporate fleet customers. Four companies have since signed up.

To focus on improving service levels, ComfortDelGro Engineering developed and conducted three in-house customer service training modules for its staff. About 200 staff attended the basic customer service training, while 63 others attended the intermediate module, “Project a Positive & Professional Image”. Frontliners completed the final and most advanced module, “Handling Difficult Customers” in November 2016.

As a result of its positive contributions to the Labour Movement, and for providing in-house training to raise



its workers' skills and employability, ComfortDelGro Engineering was presented the Plaque of Commendation at the May Day Award 2016 by the National Trades Union Congress.

### Inspection & Testing Services

A record number of cars were de-registered in 2016, resulting in a smaller pool of vehicles due for inspection. As such, VICOM Ltd conducted a total of 488,186 vehicle inspections, a drop of 6.5% compared to the previous year.

To mitigate the drop in demand, several innovative marketing campaigns were launched during the year, including introducing the Esso Fleet Card as a companion card to the Diners/VICOM Card which was launched in 2015. The new Esso Fleet Card offers cardholders up to 21.27% in fuel discounts – further cementing its status as a unique motoring card in Singapore. Other benefits include discounted inspection services, road tax payments by instalment, 25% discount off car rentals at ComfortDelGro Rent-A-Car Pte Ltd and complimentary 24-hour road side assistance provided by ComfortDelGro Engineering.

In August 2016, VICOM marked another significant milestone in its 34-year history when it reached its 10 millionth inspection. A total of 13 e-kiosks were set up across its vehicle inspection centres for customers to participate in the "Spin the VICOM wheel" lucky draw. In all, over 15,000 participants took part. Over 920 weekly prizes were given out over five months and in February 2017, VICOM handed out 10 grand prizes, including the top cash prize of S\$2,888, a year's worth of motor insurance with NTUC Income and a lifetime of free vehicle inspections.

As more vehicles de-registered, more Certificates of Entitlement (COEs) were issued. As a result, the VICOM Emission Test Laboratory (VETL), which provides emission testing for new vehicles, experienced strong growth. Demand

was further boosted by an increase in parallel imported vehicles. Besides doing more tests for the conventional diesel and petrol vehicles, VETL also tested full electric and plug-in hybrid vehicles during the year. To improve efficiency, VETL developed V-BRIS, an e-Booking, Reporting and Invoicing System that simplifies and streamlines the entire inspection process, from booking to invoicing. Since the introduction of V-BRIS, the waiting and processing times of all VETL jobs have been halved from four weeks to just two.

The number of VICOM Assessment Centre (VAC) vehicle survey jobs increased by 15.7% during the year. VAC also assisted 995 motorists with the repair of their vehicles at approved workshops and helped file a total of 13,443 accidents at its centres in Sin Ming, Bukit Batok and Kaki Bukit.

During the year, VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO), completed several notable projects including the Proof-of-Concept (POC) phase of the sand aquifer project with the Jurong Town Corporation, and a major shutdown maintenance testing and inspection job at one of the chemical plants in Jurong Island.

It successfully secured a contract involving the sampling and testing of coastal waters around Singapore; a two-year contract with PSA Corporation Ltd to perform load tests on over-height gears, lifting gears and lifting appliances; and another two-year contract to carry out infra-red thermographic scanning of facilities at Changi Airport.

As a result of its aggressive clinical services promotions, SETSCO conducted several health screening packages for corporations and individuals including the analysis of arsenic, lead, manganese, cadmium, trichloroacetic acid (TCA), mercury, s-phenylmercapturic acid (SPMA) in blood and urine. An occupational health

screening exercise was also conducted for staff of a toxic waste collector.

To further broaden its reach, SETSCO introduced new services during the year. These included the development of test rigs for wind driven rain tests; fatigue/cyclic tests as well as air erosion tests. Other initiatives included the testing of innovative construction products/materials such as Prefabricated Bathroom Units (PBU) and Cross-Laminated Timber (CLT)/Glulam Laminated Timber (GLT).

On the back of the successful completion of the glass inspection project for the 'Flame Towers' in Azerbaijan and the 'Four Seasons Hotel' in Abu Dhabi in 2015, SETSCO was contracted by the Dubai Multi Commodities Centre (DMCC), a government entity of Dubai, to conduct a trial test and investigation on the building facade of the Gold and Silver Towers after some glass shattered.

### Driving Centre

ComfortDelGro Driving Centre Pte Ltd, which provides learner driver training services in Singapore, celebrated 20 years of operation in 2016.

During the year, it introduced several new initiatives to improve its services as well as to increase market share. It also adopted more aggressive marketing strategies to promote its Class 3 course. To help reduce counter service turnaround time at the Centre, ComfortDelGro Driving Centre provided online enrolment services – thereby providing learners with the convenience of enrolling anytime, anywhere.

Apart from licensing courses, ComfortDelGro Driving Centre successfully diversified into non-licensing training. There was an increase of over 40% in new corporate accounts during the year. These accounts encompassed a wider scope of commercial vehicle training including ambulance, fire engine and prime mover training.

# OPERATIONS REVIEW

## Car Rental & Leasing

Our car rental & leasing subsidiary, ComfortDelGro Rent-A-Car operated a fleet of 1,105 cars, of which 147 were brand new.

To cope with competition, ComfortDelGro Rent-A-Car stepped up marketing efforts and organised seven road shows targeted at potential individual and corporate clients. As part of its customer retention programme, it continued to organise fun-filled activities for its clients and their families every quarter.

It also focussed on promoting long-term contracts at competitive rental rates for existing used vehicles as well as improving its level of service. For example, it implemented a new phone logging system during the last quarter of 2016. This system enabled promotional sales campaign messages to be announced, routed and tagged. Callers were informed in advance that their conversation would be recorded for training purposes. At the end of each call, a satisfaction survey was also conducted to gauge how they felt about the service.

ComfortDelGro Rent-A-Car also centralised its accident module, which enabled users across departments to input, update and view incident cases anytime. This helped improve the response turnaround time.

A system in which customers are reminded via SMSes when their rental vehicles are due for maintenance was trialled during the year. These SMSes contained a link to the Company's corporate website, where customers could make appointments online, making it more convenient for them. More importantly, such automation freed up manpower resources that were then deployed elsewhere.

Following this trial, ComfortDelGro Rent-A-Car will be exploring a compatible online system for its after-

sales appointment process so that its staff are able to provide after-sales services even while they are out in the field.

## Insurance Broking Services

ComfortDelGro Insurance Brokers, our in-house insurance broking arm, continued to perform well in 2016.

In Singapore, ComfortDelGro Insurance Brokers grew its third-party business by leveraging on its technical expertise and market knowledge to stay ahead of its competitors. In view of Singapore's ageing population and high medical costs, ComfortDelGro Insurance Brokers focussed on providing employee benefits consultation and cost-effective medical insurance solutions to its external clients and to the Group.

ComfortDelGro Insurance Brokers continued to aid the Group's Business Units in Singapore and overseas in achieving cost reductions and implementing effective claims processes and risk management strategies.

## Outdoor Advertising

Our outdoor advertising subsidiary, Moove Media Pte Ltd, saw higher demand for rail advertising with the opening of DTL 2.

It continued to push the envelope where technology is concerned. For example, Moove Media leveraged on augmented reality (AR) technology to make advertising campaigns of clients such as Jetstar Airways Pty Ltd and the Health Promotion Board (HPB) interactive for consumers. In the case of Jetstar, which was offering flights to Australia's Northern Territory, the AR technology was used to engage commuters to feed "jumping crocodiles". As for HPB, three-dimensional germs and bacteria were projected onto a pathway to engage commuters to stop the spread of flu by "kicking" them.

Moove Media also lit up Singapore's streets with its latest offering – the Moove Bling Bus, a trademark design approved exclusively for SBS Transit buses. Each bling bus has LED lights lined up on its sides, which lit up when the bus headlights were switched on.

For the first time in Singapore, Moove Media had 100 ComfortDelGro taxis installed with a palm-size Wi-Fi dongle to provide passengers with unlimited Wi-Fi access as part of NETS' marketing campaign.

For train advertising, Moove Media launched a concept train on DTL to strengthen Himalaya Herbals' brand positioning and to engage commuters on social media. For over a month, 22 works were also on display at six DTL stations as part of the Singapore International Photography Festival's Open Call Showcase. It was the first time that art pieces were displayed at train stations.

Moove Media continued to partner and work closely with the Authorities to roll out festive-themed trains and buses, which were well-received by commuters. These included the Chinese New Year- and Christmas-themed trains on NEL, Deepavali-themed train on NEL as well as DTL and the Hari Raya-themed bus.

In September 2016, Moove Media was appointed the advertising and commercial partner by Go-Ahead Singapore for a period of five years, making it responsible for about 400 buses as well as the management of commercial properties and advertising spaces at Pasir Ris and Punggol Bus Interchanges.

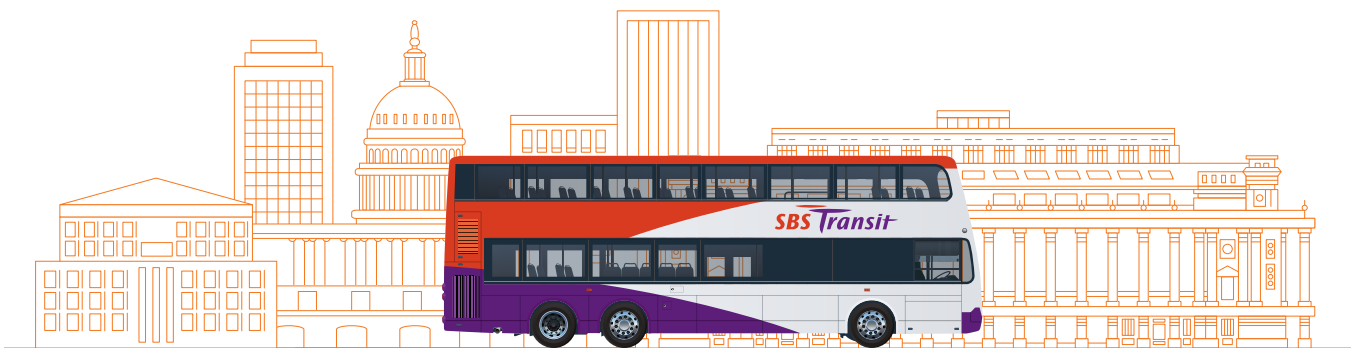
It was not all work for Moove Media as it also reached out to the community through the social enterprise of its associate, Gobbler Pte Ltd. Gobbler5 partnered South West Community Development Council to launch the "TOWKAY @ South West" pilot

programme, which gave the needy a chance at being their own boss. The six-month programme trained participants in the areas of financial management and customer service. After passing a written assessment, they were given a start-up inventory of 1,200 packets of tissue paper to sell at bus interchanges operated by SBS Transit – at no cost. To-date, three participants, who are

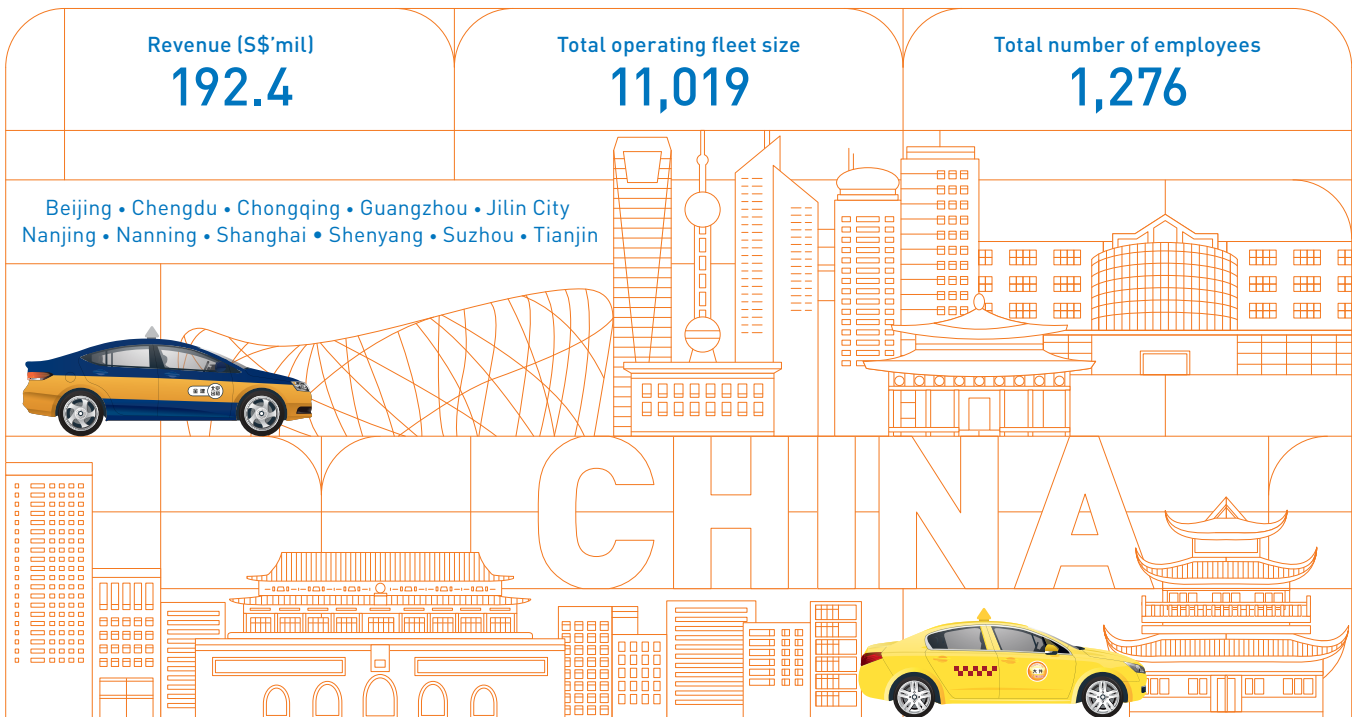
on this pilot programme, have seen an increase in their income.

Moove Media ended the year on a high when it won the “Team of the Year: Advertising” Award at the Singapore Business Review Management Excellence Awards 2016 for the efforts it had put into making HPB’s National Steps Challenge campaign a success.

The same campaign also won Gold for the “Best Media Solution – Out of Home” category at the Spark Awards. Moove Media was also crowned winner for the “Most Innovative Contribution to a Campaign by a Media Owner” for the AXA Insurance Singapore concept taxi campaign.



# OPERATIONS REVIEW



Bus Station • Taxi • Car Rental & Leasing • Vehicle Testing Services • Driving Centre

## 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.

To promote a younger and therefore more environmentally friendly fleet, all taxis that are replaced before they reach seven years old are entitled to Government subsidies. During the year, Beijing Jin Jian replaced 282 taxis, aged seven years or less with Hyundai Elantras.

To attract more taxi drivers to join its ranks, the Company reached out to retirees and retrenched workers.

In the second half of the year, the Beijing Municipal Government introduced new rules aimed at regulating third-party booking apps. For instance, ride-sharing companies must now only hire drivers who hold Beijing residency permits or "Hukou". They must also sign labour contracts with the drivers and provide them with motor accident insurance. Drivers must also have at least three years worth of driving experience with no prior criminal records. All vehicles must only be registered with Beijing car licence plates.

### Vehicle Testing Services

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, our 80%-owned subsidiary, provides vehicle safety and emission testing services in the Capital City. There was an increase in demand for its services during the year as more new vehicles were registered. A WeChat payment function was also added to make it more convenient for customers.

### Jilin City, Jilin Province Taxi

Our 97%-owned subsidiary, Jilin ComfortDelGro Taxi Co., Ltd, is the City's largest taxi operator with a 14.2% share of the market. In 2016, its fleet of 729 taxis was fully hired out.

The Company replaced 152 taxis and renewed 142 licences during the year.

To counteract the competition from ride-sharing companies, the Company had sought the local Government's permission to offer similar ride-sharing services. Upon approval, it plans to launch its own taxi booking app, which is based on the ComfortDelGro taxi booking app in Singapore and localised for the Chinese market. The user interface of the app will not only be in Chinese, but it will also include cashless payment options like WeChat and Alipay.

## Shenyang, Liaoning Province Taxi

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operate a total fleet of 1,293 taxis. Demand for services by both companies remained strong with their fleets of taxis fully hired out.

Training on safety and service was provided to taxi drivers to improve their service levels, while Management underwent courses to keep abreast of the latest developments in the industry. Road safety processes were further tightened to better manage the accident rate. As a result of its efforts, a total of 533 taxi drivers were commended by the Shenyang Transportation Bureau.

In the fourth quarter, the Shenyang Municipal Government had issued draft policies on third-party apps. Policies mandate that these ride-sharing companies should not charge fares lower than taxis nor should the vehicles used cost below RMB130,000. The Government also retained the right to control the number of vehicles the ride-sharing companies operated via their apps.

## WEST CHINA

### Chengdu, Sichuan Province Taxi

Our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd, faced a challenging year in 2016 due to the proliferation of third-party apps. However, that is set to change when a new National Order that regulates and creates a level playing field for taxi drivers and third-party apps is implemented by mid-2017. To retain and attract taxi drivers, the Company, had in 2015, set up a Drivers' Affairs Division to look into the welfare of taxi drivers, and provided aid to over 600 taxi drivers in the last two years.

### Car Rental & Leasing

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, the Group's motor vehicle rental & leasing joint venture, operates a fleet of 64 rental vehicles. The Company continued to offer rental packages at competitive rates while maintaining a

high level of service. It also stepped up marketing efforts to attract new customers.

### Vehicle Testing Services

Demand for vehicle testing services by Chengdu Jitong Integrated Vehicle Inspection Co., Ltd, dipped in 2016 after a new policy, which stipulates that inspection is no longer mandatory after the secondary maintenance, was implemented. To bolster demand, the Company refocused its attention on the inspection of passenger buses.

### Driving Centre

Our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd, saw a dip in demand as a result of policy changes – which mandated that students must own a local residency permit to enrol for driving lessons. As a result, several students, who did not have such permits, were unable to take their driving lessons with the School. Fortunately, this policy was later adjusted to allow those without the residential permits to enrol for Stage 1 and 2 tests.

With effect from March 2017, the existing test circuit, which used to only conduct tests for the new Volkswagen Jetta model had one of its test lanes converted to cater to the old Volkswagen Jetta model, thereby increasing the scope of the circuit.

### Chongqing Driving Centre

Our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd faced stiff competition as smaller driving schools entered the market. As part of the cost-structure review, it re-designed its course to cap training hours to 25 hours, thereby enabling it to price its packages at more competitive rates.

## EAST CHINA

### Shanghai Taxi

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

In 2016, the Company introduced a new taxi model – the Volkswagen Touran. This model, like the Volkswagen Santana Livida taxi that was introduced in 2015, is popular with both taxi drivers and passengers alike.

A total of 115 five-year-old taxis are due for replacement in 2017. To ensure these taxis are rented out, Shanghai City Qi Ai started engaging 'maiduan' drivers and was successful in renting its taxis to 31 of them.

On 9 October 2016, the Shanghai Authorities released policies on third-party apps. The new policies, which commenced on 1 November 2016, required third-party drivers to be locals with Shanghai residency permits. They also required vehicles to have registered Shanghai licence plates.

### Suzhou, Jiangsu Province Taxi

Our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd started the year with some unhired taxis in its fleet of 168 vehicles but managed to renew the rental agreements on all of them before the year ended.

The Suzhou Authorities released policies similar to those introduced in Shanghai on third-party apps.

### 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.

## SOUTH CHINA

### Guangzhou, Guangdong Province Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 12.2 million passengers in 2016. This represented a 6.2% drop from the previous year amidst strong competition from the high speed rail service, the growth of the car population and the persistence of illegal bus operations.

## OPERATIONS REVIEW

Cargo revenue fell by 6.4%, while the total number of cargo items dropped by 2.6%. The drop was mitigated to some extent by a contract renegotiation in September 2016 where bus operators agreed to reduce their revenue share of the cargo business from 70% to 60%.

In 2016, the Station introduced automated cash ticket machines in place of manual ticket counters which reduced transaction times significantly. These machines have proven to be popular with passengers. Online ticketing, which was first introduced in 2015, proved to be even more popular as it registered record sales in 2016. A working group was set up in 2016 to handle online ticketing affairs in order to further increase the volume of tickets sold.

In April 2016, Tianhe Bus Station garnered over 1 million followers on WeChat – the most number of followers a bus station in China has ever acquired in a span of one-and-a-half years.

The Company catered to a record 100,263 passengers during the peak Golden Week period – made possible by an effective traffic management system, increased online ticket sales and strong crowd control measures.

### Nanning, Guangxi Province Taxi

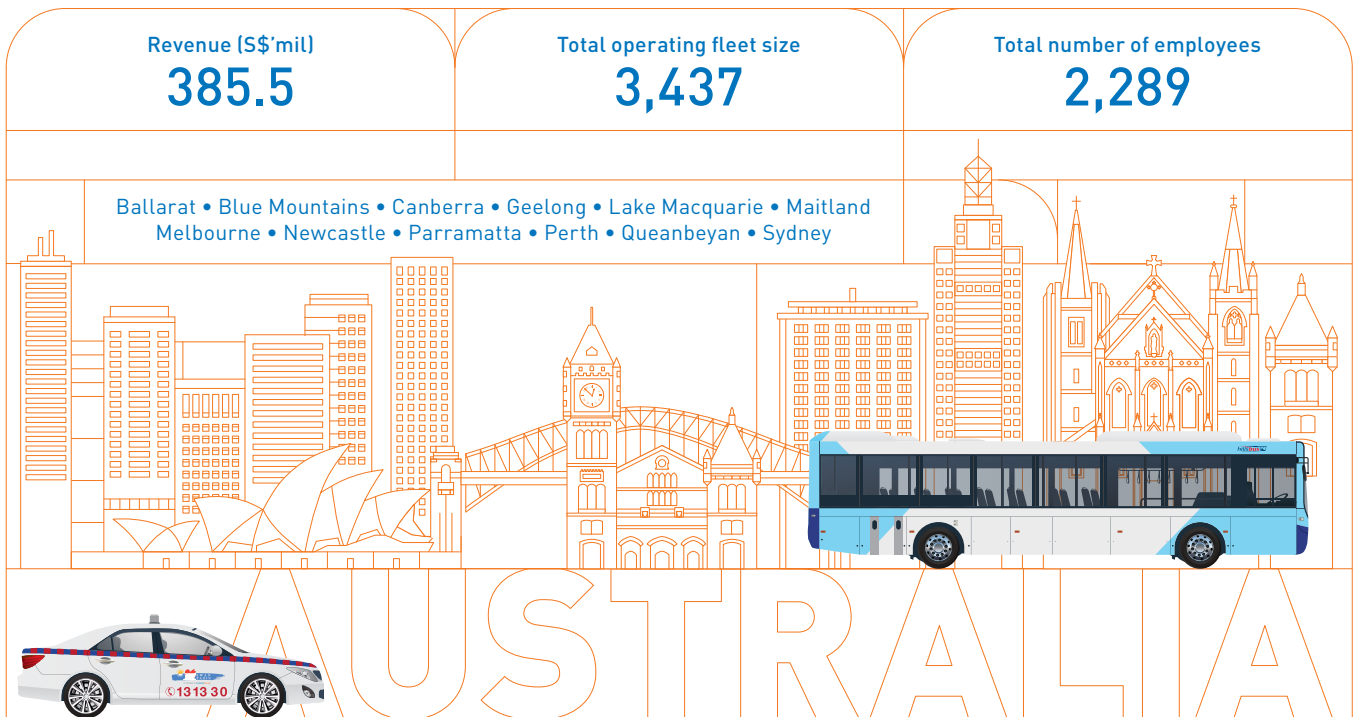
Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, is the largest taxi operator in Nanning with a fleet of 854 taxis. Demand remained strong during the year despite stiff competition from private hire cars and

the legalisation of the ride-sharing app. Like its sister taxi companies in Shenyang, it will monitor how well-received the taxi booking app will be in Jilin City, and may consider developing a similar booking app.

To reward outstanding taxi drivers for their good performance, the Company organised two incentive trips for them to Xiamen and Hong Kong. Fuel subsidies were also given to those driving single-energy taxis.

In July and August 2016, the Company participated in the “Excellent Service Activity” campaign that was organised by the Nanning Taxi Association, where its taxi drivers were given monetary rewards for service excellence.





Bus • Taxi • Outdoor Advertising

### Sydney, New South Wales

#### Bus

We operate bus services in Sydney, New South Wales (NSW), through ComfortDelGro Cabcharge Pty Ltd, which became a wholly-owned subsidiary in February 2017. This followed the completion of the Share Sale Agreement with Cabcharge Australia Limited for the acquisition of its 49% stake in the bus operator for S\$201.1 million (A\$186.0 million). The Company has since been renamed ComfortDelGro Corporation Australia Pty Ltd (CDC).

Following the Board's approval of the Company's joint venture arrangement with Try Any Investments Pty Ltd, St Marys Depot was converted into the Western Sydney Repair Centre, which began operations on 1 January 2016. A new repair hangar was further developed at a cost of S\$1.1 million. In the first year of the Centre's operations, it focussed mainly on repairing CDC buses. There are plans to expand its repair services to include other buses and heavy commercial vehicles.

During the year, our NSW operations clinched two new contracts. The first was a three-year contract to provide shuttle services for Singapore Airlines' air crew while the second was a contract to provide emergency coach and scheduled student bus services across multiple regions

within NSW. CDC also successfully extended the contract of the Nightride bus services, which operate between 12am and 4.30am, for another 18 months from 1 September 2016.

To cater to the growth in passenger volume, CDC took delivery of 25 buses comprising 21 single decks and three double decks. It also purchased a minibus to support the new Singapore Airlines contract.

The CDC website was revamped during the year and a new Facebook page created.

In independent surveys conducted by Transport for New South Wales (TfNSW), Hillsbus attained customer satisfaction scores in the band of between 91% and 94%, exceeding the regulatory requirement of 85%.

#### Outdoor Advertising

Moove Media Australia's strong reputation helped it to maintain its existing clientele and attract new ones during the year. Demand peaked in the third quarter of 2016 with Moove Media Australia achieving record bookings in August and September. Some bus advertising formats were also completely sold out at some depots. To maximise the use of its buses for advertising, Moove Media Australia ensured that advertising campaigns were run back-to-back.

# OPERATIONS REVIEW

To meet demand, Moove Media Australia beefed up its sales team to include an operations coordinator and a new account manager. The Company also developed several training programmes to equip staff with the knowledge of the processes as well as to hone their skills to better manage client relationships.

More attention was also given to inventory management to ensure that clients were offered competitive packaged deals. Its sales presentation deck was redesigned to include relevant maps and statistics that best represented the coverage and strengths of the Company.

## **Blue Mountains and Hunter Valley, New South Wales** **Bus**

In December 2016, the NSW Government approved the extension of the existing Outer Region 2 and 4 contracts in Hunter Valley and the Blue Mountains Transit contract by a year. TfNSW has also committed to negotiate a further extension of two years for these contracts in 2017.

After a successful bid during a competitive tender process, Hunter Valley's major rail replacement bus services commenced operations in February 2016.

In terms of customer satisfaction levels, the Hunter Valley and Blue Mountains Transit bus services did well, scoring between 91% and 94%. This exceeded the benchmark of 85% in independent customer satisfaction surveys conducted by the TfNSW.

A total of eight replacement buses were supplied to Hunter Valley and Blue Mountains Transit in 2016. Similarly, Edgeworth Depot in Hunter Valley was upgraded during the year, resulting in an increase in capacity. It is now able to house 100 buses, as compared to 25 previously.

## **Queanbeyan, New South Wales** **Bus**

The eight-year rural and regional bus contracts for QCity Transit and Transborder Express, which serve the Greater Queanbeyan Area and the Murrumbateman/Yass area respectively were renegotiated in 2015, and commenced on 1 April 2016.

During the year, two Queanbeyan bus contracts were renewed for another eight years with the option to negotiate for further extension.

Following the successful implementation of the digital radio system on board Region 4 Hillsbus, Hunter Valley and Blue Mountain Transit bus fleets, the same system was implemented for all QCity Transit buses in 2016.

## **Melbourne, Victoria** **Bus**

CDC operates essential bus services across the Western and Eastern suburbs of Melbourne, as well as Ballarat and Geelong.

During the year, CDC inked a contract with Goodman Property Group to build a depot in Truganina, West of Melbourne. The mega depot, which can hold up to 230 buses, is expected to be completed in the third quarter of 2017. When completed, it will replace the existing facilities at Altona and Hoppers Crossing.

Additional services were introduced in Geelong in January 2016, providing better connection between the suburbs of Lara and Corio Shopping Centre.

CDC continued to engage the community during the year. It pledged S\$10,460 to 10 students from "Western Chances" with MYKI or stored value cards worth S\$1,046 each for travel on buses, trains and trams in Victoria. Western Chances is a non-profit organisation that provides scholarship funds to talented high school and tertiary students in Victoria.

To clamp down on vandalism, CDC also collaborated with the Western Bulldogs' popular youth leadership programme, The Whitten Project, to conduct 'Graffiti Removal Workshops' for the youths in July and August 2016. By letting the youths experience for themselves how time-consuming and tiring the graffiti removal process was, it is hoped that they would be discouraged from engaging in such acts.

## **Perth, Western Australia** **Taxi**

It was a difficult year for Swan Taxis Pty Ltd due to the stiff competition, sweeping political reforms in Western Australia and the weakening economy.

To boost call demand, Swan Taxis implemented several initiatives throughout the year such as the Set-price Pre-payment Scheme, Selective Fare Discount Scheme and the Colour Taxis Scheme. It also pushed out several promotions through direct and social media marketing.

The Set-price Pre-payment Scheme offered an integrated booking and payment solution to passengers who preferred to book and pay for taxi fares before the trips were completed. This Scheme proved to be popular with parents and corporate clients.

In October 2016, Swan Taxis began offering fare discounts on Thursdays to different groups of passengers – tertiary students, senior cardholders and even members of the armed or emergency services – who booked through the call centre. The fare discounts were very well-received.

Responding to feedback by the public, Swan Taxis rolled out the Colour Taxis Scheme to provide passengers with more taxi options.

The first roll-out included "pink" taxi services driven by female taxi drivers, "silver" for premier taxi services and "green" for lower emissions taxis. In January 2017, two other colours –



“white” for taxi drivers who are 55 years old and above and “blue” for taxi drivers who carry the ‘Working with Children’ card and are able to assist children unaccompanied by adults – were added.

To further improve service levels, contact details of booking customers and taxi drivers were provided for better communication – a measure well-received by both parties. In 2017, Swan Taxis plans to launch a flexible fare system which offers discounts during off-peak hours and charges a surcharge during peak hours.

With an increase in payment fraud on board taxis, Swan Taxis re-

introduced its online payment system in May 2016, and also provided a fraud detection service in a bid to reduce the incidence of such cases. This has been very effective.

In September 2016, Swan Taxis went into a partnership with Seven West Media to offer taxi wrap advertisements for its fleet of taxis. The contract for 200 taxis is estimated at a value of S\$1.05 million annually, which Swan Taxis intend to share with the taxi owners/drivers.

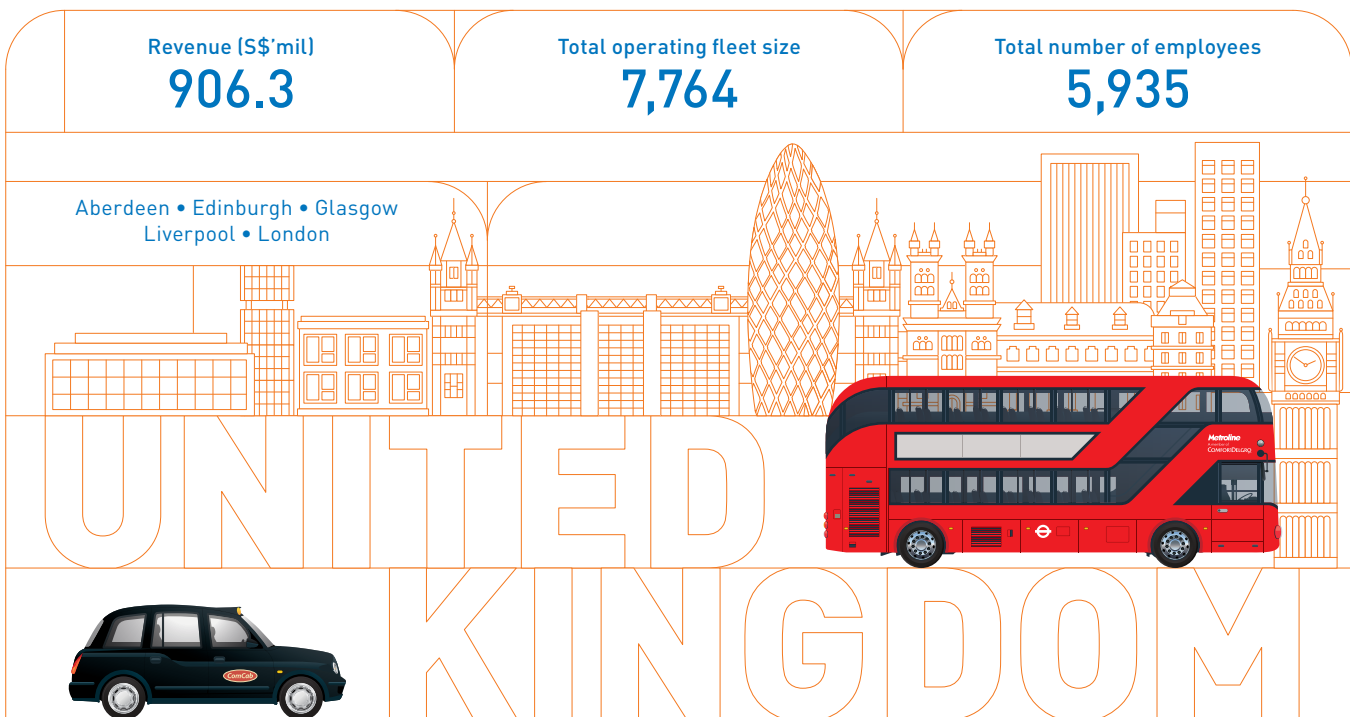
The Star Drivers Scheme, a performance-based method of rewarding good drivers that was introduced in 2015, saw a total of

32 Super Star drivers awarded by the end of 2016. One taxi driver took home the pinnacle Gold Award; six received Silver; and 25, Bronze.

To upkeep its volume of taxi plates, Swan Taxis forked out about S\$29,000 as a one-time subsidy for the annual licence fee of peak period and area restricted plates. It further waived the equipment lease component of the weekly rank fee for 233 taxi drivers who had leased the equipment for at least seven years. From January 2017, Swan Taxis reduced weekly rank fees of its normal and restricted area plates. It also subsidised half of the special lifting fee for Multi-Purpose Taxis that used to be co-funded by the Government.



# OPERATIONS REVIEW



Bus • Coach • Taxi Radio Circuit • Private Car Hire

## London, England

### Bus

In the United Kingdom (UK), Metroline Limited maintained its position as London's second largest bus operator in 2016 with a fleet of over 1,740 buses, plying routes mainly in North, West, Central London and Hertfordshire. It runs over 19% of London's scheduled bus mileage.

In March 2016, Metroline won the 'Bus Operator of the Year' Award at the 2016 London Transport Awards, which is an annual event supported by Transport for London (TfL), London Councils and London Travel Watch.

This was followed six months later by the award of the "Rail Passport" by the Department for Transport to Metroline Rail Ltd. With it, Metroline Rail is now pre-qualified to bid for all upcoming rail franchises in the UK.

During the year, Metroline successfully retained 17 of the 20 contracts that had expired, and won another three new contracts.

Metroline also began operating the world's first five fully-electric double deck buses in April 2016 as part of a pilot scheme. These buses currently serve route 98 from Willesden Garage.

Metroline also took delivery of 111 buses in 2016, of which 77 were hybrid double decks and 34 were Euro 6 single decks.

To cope with the commencement of the new contracts, Perivale Garage, which had stopped operating in 2012, was reopened in August 2016. Efforts to train and recruit drivers were stepped up, and investments were made to beef up the Training and Recruitment Department.

### Coach

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

Mitigating the drop in tourist arrivals from China and Japan was an increase in the local home-to-school business. New tie-ups with tour operators in Thailand also helped to offset the drop in demand from Chinese and Japanese tour groups.

### Taxi Radio Circuit

2016 was a challenging year for Computer Cab plc (operating under the 'ComCab' brand), London's largest black taxi operator with a fleet of 1,783 taxis.

Despite economic uncertainties following the Brexit vote in June 2016 that resulted in spending cuts in both the corporate and public sectors, ComCab successfully won a major contract for taxi and chauffeured car services from an international bank in London.

CityFleet rebranded itself as an aggregator and launched a new business website providing a single booking platform for ground transport needs of its customers, even when they are travelling overseas. A new mobile web booking tool, apps targeted at the busy executive on the move, and a new easy-to-navigate website were introduced. With these, customers were able to gain access to ground transportation almost anywhere in the world by logging onto their CityFleet Business account online or via the app, and choosing a pick-up date and time, up to three months in advance. A new in-app tracking function also enabled customers to track their vehicles across multiple fleets.

CityFleet Business offers an account payment and billing information system that ensures accurate data capture on all bookings at no extra charge with consolidated invoicing and reporting. For easy reference, clients have the ability to review their data online in real-time.

An app booking tool was also developed for Taxicard, a scheme that provides subsidised travel for London residents with serious mobility or sight impairments.

To remain competitive, new driver subscription and rental packages were introduced to ComCab to aid driver recruitment and retention.

To enhance its credentials, all Business Units within the CityFleet Group were accredited with the Quality Management and Environmental Management Standards, ISO 9001:2015 and ISO 14001:2015.

### Private Car Hire

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

Demand for these services increased in the latter part of 2016 as a result of aggressive sales and marketing efforts. Strategic partnerships were also forged with other executive chauffeured car service providers.

### Liverpool, England

#### Taxi Radio Circuit

Computer Cab (Liverpool) Limited, which is the City's largest taxi circuit operator with a fleet of 329 licensed taxis, saw demand increase in 2016 on the back of new business and stronger demand from key customers.

Computer Cab (Liverpool) was also successful in retaining its contract to provide patient transport services for North West Ambulance NHS Trust (NWAS) in Lancashire, Greater Manchester, Merseyside and Cumbria.

### Glasgow, Scotland

#### Coach

The Group's partnership with Stagecoach, Scottish Citylink Coaches Limited (Scottish Citylink), is the leading provider of express coach services in Scotland with 94 coaches under the 'Scottish Citylink' and 'megabus.com' brands. It also operates a network of cross-border services between Scotland and major cities in England.

During the year, Scottish Citylink faced increased fare competition from domestic airlines on its longer-distance express routes. In a bid to improve its competitive edge, Scottish Citylink removed unproductive mileage from its cross-border services and re-timed journeys to improve punctuality. Changes were also made to the internal Scottish coaching network for both the May and October 2016 timetables to improve reliability and to allow for better connections between services at interchange points.

A new Glasgow to Liverpool route was also put on trial in 2016, ahead of the train companies. The feedback from passengers has, thus far, been encouraging.

During the year, Scottish Citylink introduced five brand new Scania Irizar i6 Euro 6 coaches for the route between Edinburgh Airport and Glasgow City. Each coach is fitted with USB sockets and 4G Wi-Fi. A new livery was also introduced.

### Aberdeen and Edinburgh, Scotland

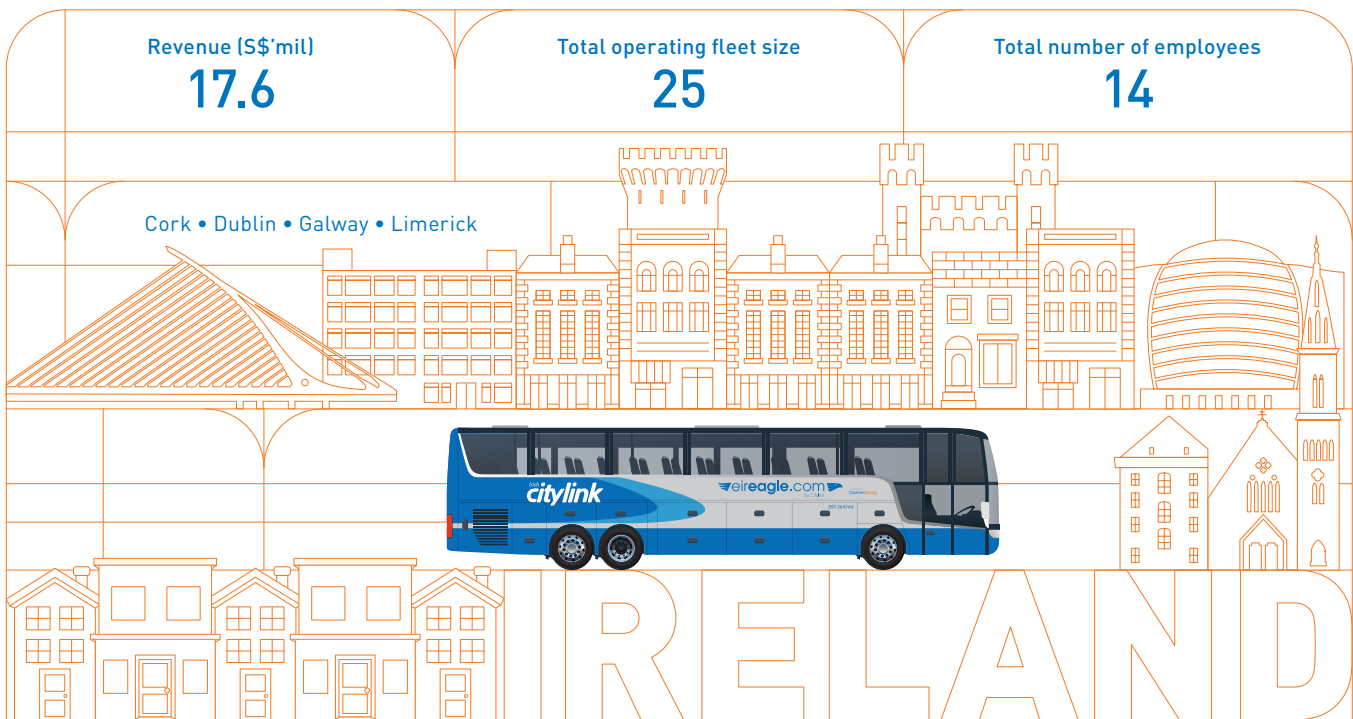
#### Taxi Radio Circuit

Computer Cab (Aberdeen) Limited has the largest fleet of taxis in Aberdeen. It successfully retained the contract to provide taxi services to the Aberdeen International Airport for another 18 months.

Computer Cab (Edinburgh) Limited continued to face a difficult year as corporate clients restricted travel spend.



# OPERATIONS REVIEW

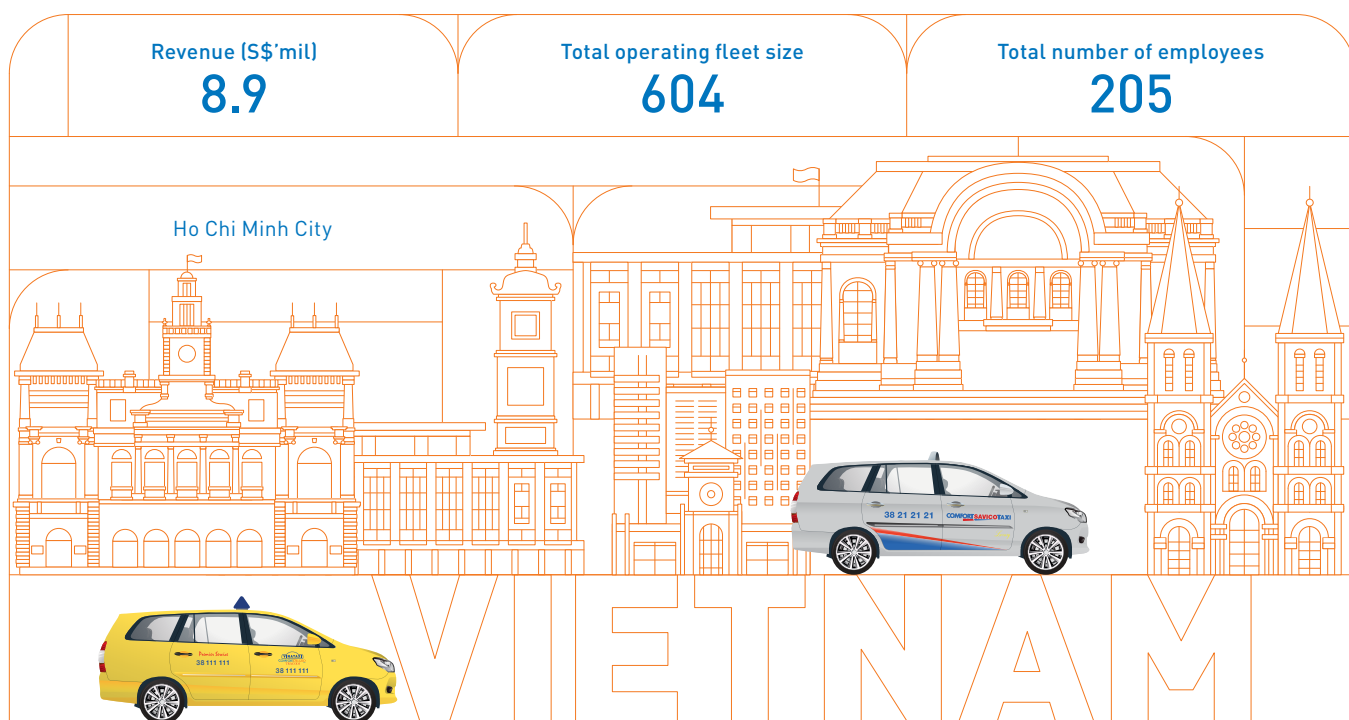


## Inter-City Express Coach

ComfortDelGro Irish Citylink Limited, our fully-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. Demand for services increased in 2016 on the back of a strong economy.

To further attract and retain customers, innovative marketing campaigns were launched. There was also a sponsored arrangement with Galway's main radio station, Galway Bay FM. ComfortDelGro Irish Citylink also beefed up its online marketing activities and this resulted in a growth for its online bookings.

ComfortDelGro Irish Citylink's efforts to improve the experience for its customers had not gone unnoticed. In an independent survey carried out in June 2016 by the Customer eXperience Insights (CXi), which features the country's best in customer experience, ComfortDelGro Irish Citylink ranked fifth out of 100 brands and was named a CXi winner in the travel sector.



## Taxi

The Group's subsidiaries in Vietnam, ComfortDelGro Savico Taxi Company and Vietnam Taxi Co., Ltd (Vinataxi), operate taxi services through a combined fleet of 604 taxis.

Despite the competitive climate, both taxi companies were successful in renewing their existing contracts to operate taxi services at major pick-up points in Ho Chi Minh City. They also continued to attract taxi drivers through advertisements and referral schemes.

During the year, ComfortDelGro Savico Taxi disposed of 20 taxis that were above five years old and replaced them with 15 new ones, including 10 Euro 4 Chevrolet Aveo taxis, which are more fuel efficient. With that, the average age of its taxi fleet is now 3.6 years old.

To improve efficiency, ComfortDelGro Savico Taxi streamlined its organisational structure and reduced costs.

Leveraging on technology, Vinataxi invested in a Management and Monitoring system to assess the demand and effectiveness of every one of its major pick-up points. Using Android smartphones, the Company was able to capture trip volumes and waiting times at the pick-up points in real-time. In doing so, it was able to deploy taxis to where demand was strongest.

It also trialled a new taxi despatching system with 40 taxis. The new system, which is linked to the Management and

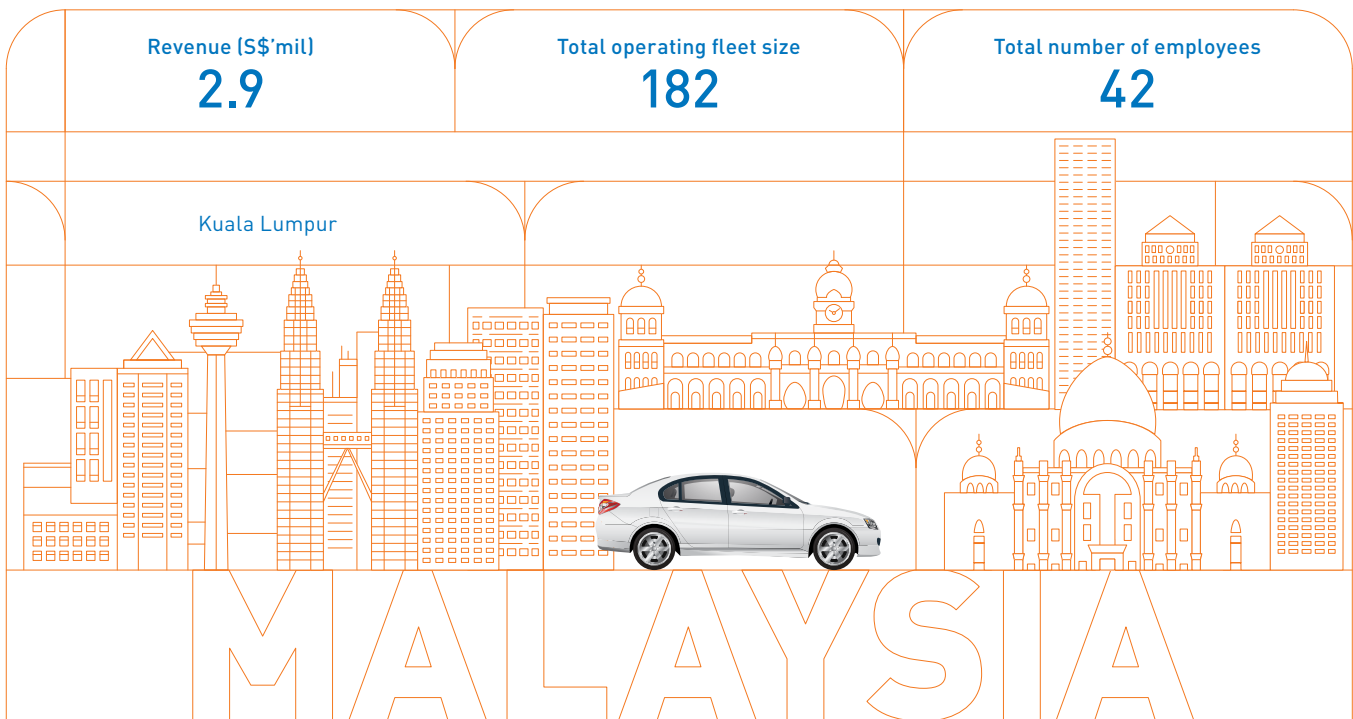
Monitoring system, enabled drivers to join a queue at a pick-up point simply by indicating so on the Mobile Data Terminal. As such, staff no longer needed to manually track the number of taxis at any one queue, allowing for greater efficiency and productivity.

During the year, Vinataxi withdrew 48 old taxis and replaced them with 40 new seven-seater ones. It also painted the livery of the new taxis in-house, resulting in cost savings of over S\$5,000. Over 90% of Vinataxi's fleet are now seven-seaters and there are plans to purchase another 120 seven-seater taxis as part of fleet renewal in 2017.

Vinataxi's workshop took in more accident repair jobs during the year. As a result, revenue from accident repairs increased in 2016. Revenue from its taxi advertisements also increased.

In 2016, Vinataxi bagged the "Vietnam Top 50 Well-known Trademark" for the third year running. Due to its consistent engagement with the Union and staff, it received the 'Commendation of Typical Enterprise Owners 2015' Award by the Ho Chi Minh City Export Processing and Industrial Zones Authority (HEPZA) and Ho Chi Minh City Trade Union Federation on 3 June 2016. It also received a Certificate of Merit by the Department of Traffic & Transport as well as the Outstanding Trade Union 2015 and Certificate of Merit by HEPZA.

# OPERATIONS REVIEW



## Auto Leasing • Inspection & Testing Services

### Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd, offers auto leasing services in Malaysia through a fleet of 182 vehicles. Utilisation of our vehicles remained high in 2016. The Company specialises in dedicated 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 and infrastructure industries.

### Inspection & Testing Services

Setsco Services Pte Ltd's wholly-owned subsidiary, Setsco Services (M) Sdn Bhd, provides civil engineering and non-destructive testing services. During the year, it secured contracts to perform structural monitoring and system analysis of a tall building, as well as sampling and analysis of water and soil samples for a dam project.

## 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 more than 350 groups of investors, analysts and equity sales personnel over more than 200 meetings. The team also addressed queries from investors through emails, telephone calls and the online form.

Besides face-to-face office meetings and conference calls, we also participated in seven investor

conferences and non-deal road shows in Singapore, Kuala Lumpur, Taipei, Hong Kong, London and Edinburgh. These platforms provide direct access to a wide cross-section of existing and new investors from around the world.

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.

ComfortDelGro attracts active research coverage from sell-side analysts and the stock is now covered by 16 local and international research houses. More than 170 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.

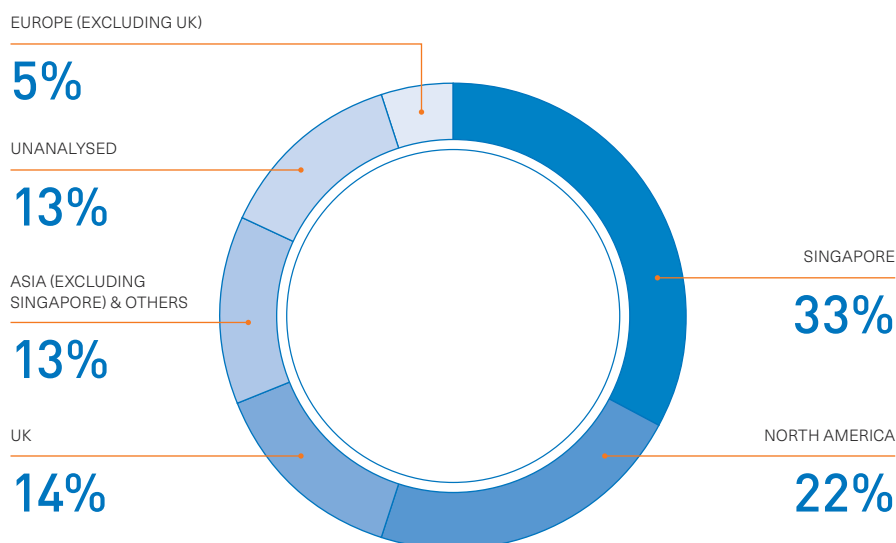
Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore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

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

At the 17th Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2016 held on 30 September 2016, VICOM Ltd won the Merit Award for Corporate Governance in the Big Cap category.

### Diverse Shareholder Base

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



Note: Approximate figures based on analysis of Share Register as at 31 October 2016.

# 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 sound corporate decisions to build long-term value, rather than short-term considerations;
- Spend wisely and 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. 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 revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 2 May 2012 (Code) and ensure that it is upheld throughout the Group. 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 2016, we are pleased to report that the Company complied substantially with the key principles and supporting guidelines set out in the Code except where specifically identified and disclosed in this Report.

## 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.

### 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:

- (i) Providing the entrepreneurial leadership and guidance, setting strategic direction and objectives of the Group, and ensuring that adequate financial and human resources are in place to achieve the objectives;
- (ii) Ensuring that appropriate and adequate systems of internal control, risk management processes and Financial Authority Limits are in place to safeguard Shareholders' interests and the Group's assets;
- (iii) Monitoring Management performance;
- (iv) Identifying the key Stakeholder groups and guiding Management in the Company's strategy and approach in addressing the concerns of these key Stakeholder groups;
- (v) Setting the Company's values and standards (including ethical

standards), and ensure that obligations to Shareholders and other Stakeholders are understood and met; and

- (vi) Considering environmental, social and governance 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, Capital Expenditure, 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. Directors who are unable to attend the 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 2016**

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	√	6	6	–	–	1	1	2	2	2	2
Kua Hong Pak	√	6	6	4	4*	1	1*	2	2*	2	2
Ong Ah Heng	√	6	5	4	4	1	1	–	–	–	–
Oo Soon Hee	√	6	6	4	4	1	1	–	–	–	–
Sum Wai Fun, Adeline	√	6	6	4	4	–	–	–	–	2	2
Tow Heng Tan	√	6	6	–	–	–	–	2	2	2	2
Wang Kai Yuen	√	6	6	–	–	1	1	2	2	2	–
Wong Chin Huat, David	√	6	6	4	4	–	–	2	2	–	–

\* Attended meetings by invitation of the Board Committee.

#### **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 Secretary assists 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.

# CORPORATE GOVERNANCE

The Company Secretary also updates the Board on corporate governance practices and circulates articles relating to changes in laws relevant to the Group's businesses.

During the year, the Group engaged an external law firm and an external accounting firm to brief the Boards of the three listed companies in the Group

on changes to corporate laws, listing requirements and new accounting standards. Details of the two training sessions are as follows:

Date	Training provider	Topic
14 March 2016	Wong Partnership LLP	Changes to Singapore corporate laws and listing requirements
4 October 2016	Deloitte & Touche LLP	Changes to financial reporting standards

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

The Board comprises eight Directors and 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 seven non-executive Directors (NED) are considered by the NC to be independent. This composition exceeds the Code's requirement of at least one-third of the Board to comprise independent Directors. 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 by 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 2016, all the independent Directors have served on the Board for more than nine years. They are Mr Lim Jit Poh, Mr Ong Ah Heng, Mr Oo Soon Hee, Ms Sum Wai Fun, Adeline, Mr Tow Heng Tan, 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 time. A Director's contribution 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 annually examines the size of the Board with a view to determine its overall effectiveness. Taking into account the scope and nature of the operations of the Group and the requirements of the Group's businesses, the NC and the Board are of the view that its current size of eight is conducive to facilitate effective decision making.

The Directors are individuals with a broad diversity of expertise and experience including financial, legal, regulatory 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, knowledge and core competencies required for the Board and Board Committees to discharge their responsibilities effectively.

The individual profile of the Directors, their principal directorships and chairmanships held currently and their directorships and chairmanships held in listed companies in the preceding three years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 25 to 28 and pages 74 to 76 of this Annual Report.

### **Non-Executive Directors' Participation**

NEDs participate actively at Board and Board Committee Meetings. To facilitate this, they are kept informed of the Group's businesses and performance through monthly and quarterly reports from the Management and have unrestricted access to the Management.

### **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. This is a deliberate policy 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 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;

- (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.

### **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, 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 re-appointment of Directors to the Board.

### **Nominating Committee**

The NC comprises four 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 as a whole and contribution by each individual Director; and
- (iii) Develop a process for evaluation of the Board's performance, including comparison with industry peers and review of training and development plans 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 has 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.

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

# CORPORATE GOVERNANCE

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 2016, all Directors comply 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 recommendations of Directors and Management and external search services.
- (iv) Potential candidates are interviewed by the NC to assess suitability and commitment.
- (v) The NC makes recommendations to the Board for approval.

The Articles of Association of the Company provide 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, Mr Tow Heng Tan and Dr Wang Kai Yuen are due for re-election pursuant to Article 91 of the Articles of Association. Mr Tow Heng Tan 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 2016, the NC conducted an evaluation of Board Performance which included key points on 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 Chairman of the NC to the Board during its meeting for deliberation and discussion on possible areas for improvement to enhance overall effectiveness.

## **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 are encrypted if distributed electronically.

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 Secretary**

The Company Secretary assists in scheduling Board and Board Committee Meetings and prepares the agenda in consultation with the Chairman and MD/Group CEO. The Company Secretary attends the Board and Board Committee Meetings. The Company Secretary keeps 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 Secretary. The appointment and removal of the Company Secretary is 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. 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.

In accordance with the Code, the RC is composed entirely of four independent NEDs. Members of the

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 are discussed.

The terms of reference of the RC are to:

- (i) 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;
- (ii) Review and approve the remuneration of Senior Management staff 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
- (iii) 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 access to relevant remuneration data and would seek expert advice from external

remuneration consultants whenever required. During the year, there was no particular requirement for the engagement of external consultants.

### **Principle 8: Level and Mix of Remuneration Performance-related Remuneration**

The remuneration packages of the MD/Group CEO and Senior 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. The remuneration of the MD/Group CEO is also tied to the return on Shareholders' funds and the level of profitability achieved.

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

The Group advocates a performance-based remuneration system that is responsive to the evolving operating environment and labour market and the Group's and individual's performance. The amount and mix of compensation are aligned to the interests of Shareholders and promote the long-term success of the Group.

The last grant of employee share options under the ComfortDelGro Employees' Share Option Scheme (Scheme) was in 2012. However, the options may be exercised up to the 10th anniversary of the date of grant of the options, i.e. 2022. Where appropriate, consideration of other

# CORPORATE GOVERNANCE

forms of longer term incentive schemes will be made. The current remuneration mix of fixed and variable components is considered appropriate for the Group and for each key executive role.

## 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 NEDs of the Company were eligible for and had been granted share options under the Scheme. As for the Employees, the last grant of share options was on 20 June 2012. Further information on the Scheme can be found from pages 87 to 89 of this Annual Report.

## Directors' Fee Structure

The Directors' fee structure is set out below:

Board	Basic fee (per annum)	
Chairman	S\$110,000	
Member	S\$55,000	
Board Committee	Additional fees (per annum) as	
	Chairman	Member
Audit and Risk Committee	S\$36,667	S\$25,667
Nominating Committee	S\$18,334	S\$12,833
Remuneration Committee	S\$18,334	S\$12,833
Investment Committee	S\$20,000	S\$14,000
Meetings	Attendance fee (per meeting)	
Board	S\$1,000*	
Board Committee	S\$1,000*	

\* 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 Key Executives

The remuneration of the Directors and the key executives of the Group (who are not Directors) for the Financial Year 2016 can be found on pages 137 and 138 of this Annual Report.

## Remuneration of Certain Related Employees

During the Financial Year 2016, no key executive was an immediate family member of any Director of the Company.

## 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.

ComfortDelGro has adopted an internal code 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. In line with the changes to the SGX-ST Listing Manual, 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 77 to 79 of this Annual Report.

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. Any material non-compliance and recommendations for improvements 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 2016, the Board has received assurance from the MD/ Group CEO and the Group 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 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.

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 Company's ARC comprises four 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 Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities. The members of the ARC collectively have current and related financial management expertise and experience. They keep abreast of relevant changes to accounting standards and issues through attendance at relevant seminars/ talks, articles and news circulated by the Company Secretary 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;

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- (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 the audit plans and reports of the Internal and External Auditors; and
- (viii) Review the effectiveness of the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on page 79 of this Annual Report.

## Audit and Risk Committee's Activities

The ARC held four meetings during the financial year under review. The MD/ Group CEO, Group Financial Officer, Group Internal Audit Officer (GIAO) and the External Auditors were present at

these meetings. The ARC reviewed and considered the following:

- (i) Overall scope of both internal and external audits and results of their respective audits;
- (ii) Significant internal and external audit observations and Management's responses;
- (iii) Quarterly and full year results announcements and the financial statements and recommendation to the Board;
- (iv) Adequacy of internal controls;
- (v) Independence of the External Auditors; and
- (vi) 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 ARC

Taxi licences and goodwill impairment review

The ARC considered the approach and methodology applied to the valuation model for 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 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.

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 2016.

## 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 re-appointment 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 GIAO. Most of 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 GIAO 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 GIAO.

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. Based on the audit plan, it provides an independent and objective evaluation of the internal control systems and corporate governance processes of the Group. The audit plan is developed by the GIAO in consultation with, but independent of, Management and is 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 GIAO and the independence of the internal audit function is ensured as the ARC meets with the GIAO 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 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 2014 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects.

#### 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 Stakeholders 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. 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 Investor Relations & Special Projects Officer (GIRSPPO) 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 (by way of a CD-ROM) is sent to all Shareholders (including foreign Shareholders) at least 21 days before the AGM to ensure that all Shareholders have adequate time to review the Annual Report before the AGM. The move to 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, which is described in more detail on page 53 of this Annual Report.

Communications with the SGX-ST is handled by the Company Secretary, while communications with Shareholders, analysts and fund managers is handled by the GIRSPPO. 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 also put in place operational procedures to respond promptly to queries from the SGX-ST on any unusual trading activities in its securities.

Our Sustainability Report, which is published 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

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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 criteria 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 Secretary 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 Articles of Association of the Company provide 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. With the amendments to the Companies Act, Cap. 50 which took effect on 3 January 2016, 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 forthcoming AGM subject to being appointed a proxy by their respective relevant intermediaries. The Company's Articles of Association will also be amended, subject to Shareholders' approval, to reflect the same.

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. Voting by poll is the most accurate means of tabulating Shareholders' votes according to the number of shares owned. We believe that this will encourage greater Shareholders' participation at the Company's General Meetings and demonstrates ComfortDelGro's commitment 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

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.

#### **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.

#### **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.

### **Interested Person Transactions**

#### **Listing Manual – Rule 907**

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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 Listing Manual.

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# CORPORATE GOVERNANCE

## Disclosure on Compliance with the Code of Corporate Governance 2012

Guideline	Questions	How has the Company complied?
General	(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.	Yes, the Company has complied with all the principles and guidelines of the Code except for the detailed disclosure of the remuneration of Managing Director/Group Chief Executive Officer (MD/Group CEO) and the Group's top five key executives. The Board had considered this matter carefully and has decided against such disclosure. Given the wage disparities and the keen competition in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure outweigh the benefits.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	The remuneration of the MD/Group CEO and key executives are reviewed and approved by the Remuneration Committee, which consists of all non-executive independent Directors.

### Board Responsibility

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, capital expenditure, 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.
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### Members of the Board

Guideline 2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	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.
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Guideline	Questions	How has the Company complied?
	(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.	Yes. 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, knowledge and core competencies required for the Board and Board Committees to discharge their responsibilities effectively. The Company has one female Director on its Board since 2003.
	(c) What steps has the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?	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.
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 Articles of Association, 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	(a) Are new directors given formal training? If not, please explain why.	Yes.

# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
	(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>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 Secretary assists 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 Secretary also updates the Board on corporate governance practices and circulates articles relating to changes in laws relevant to the Group's businesses.</p>
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.
	(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 2016, the NC conducted an evaluation of Board Performance which included key points on 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 2016.

Guideline	Questions	How has the Company complied?
<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 eight Directors, of whom only the MD/Group CEO is an executive Director. All the seven remaining non-executive Directors are considered by the NC to be independent during the Financial Year 2016. 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.
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.	Yes, Mr Lim Jit Poh, Mr Ong Ah Heng, Mr Oo Soon Hee, Ms Sum Wai Fun, Adeline, Mr Tow Heng Tan, 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 2016.  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.
<b>Disclosure on Remuneration</b>		
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?	For non-executive Directors, disclosures are made in accordance with the provisions of the Code.  For MD/Group CEO, disclosure is in bands of S\$250,000 and deviation from the Code is explained in the Notes to Financial Statements as follows:  Given the wage disparities and the keen competition in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure outweigh the benefits.

# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of S\$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?	<p>Disclosures are made in bands of S\$250,000 and deviation from the Code is explained in the Notes to Financial Statements as follows:</p> <p>Given the wage disparities and the keen competition in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure outweigh the benefits.</p>
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	<p>Disclosed as an aggregate together with remuneration of the Directors and deviation from the Code is explained in the Notes to Financial Statements as follows:</p> <p>Given the wage disparities and the keen competition in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure outweigh the benefits.</p>
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Nil.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	<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 Senior Executives. The individual's scorecard performance areas are linked to the overall strategic goals and objectives of the Group.</p> <p>The remuneration of the MD/Group CEO is also tied to the return on Shareholders' funds and the level of profitability achieved.</p>



Guideline	Questions	How has the Company complied?
	(b) What were the performance conditions used to determine their entitlement under the short-term and long-term incentive schemes?	<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 Senior 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>
	(c) Were all of these performance conditions met? If not, what were the reasons?	Yes.

### Risk Management and Internal Controls

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, updates on key performance indicators 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.

# CORPORATE GOVERNANCE

Guideline	Questions	How has the Company complied?
Guideline 11.3	(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.	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. Plans that are necessary to manage and mitigate the risks are in place and closely monitored. The adequacy of the internal controls in place is 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 there are adequate and effective internal controls in place within the Group to address its financial, operational, compliance and information technology risks.
	(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?	For the Financial Year (FY) 2016, the Board has received assurance from the MD/Group CEO and the Group 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 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.
Guideline 12.6	(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.	The audit and non-audit fees to the External Auditors of the Company and its subsidiaries for FY 2016 are S\$1.2 million and S\$0.3 million respectively.

Guideline	Questions	How has the Company complied?
	(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.	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.
<b>Communication with Shareholders</b>		
Guideline 15.4	(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>Yes, the Company is committed to disseminating accurate and pertinent information to the Shareholders in a timely manner. In FY 2016, the Company held nearly 220 meetings and conference calls with institutional investors and analysts. Besides face-to-face office meetings and conference calls, the Company also participated in seven investor conferences in Singapore, Kuala Lumpur, Taipei, London, Edinburgh and Hong Kong. These provided access to a wide cross-section of institutional investors from around the world.</p> <p>For the retail investors, they can 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 Investor Relations &amp; Special Projects 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>
	(b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Yes, there is a dedicated IR team, which works closely with Senior Management to carry out the investor engagement programme.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNet announcements and the annual report?	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.
Guideline 15.5	If the Company is not paying any dividends for the financial year, please explain why.	Not Applicable.

## DIRECTORS' PARTICULARS

Name	Age	Present Directorships/ Chairmanships (as at 31 December 2016)	Past Directorships/ Chairmanships in listed companies held over the preceding three years (from 1 January 2014 to 31 December 2016)	Principal Commitments
<b>Lim Jit Poh</b> <i>Chairman (Non-executive &amp; Independent)</i>	77	Principal Directorships in the ComfortDelGro Group <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> <li>• VICOM Ltd*</li> <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 Cabcharge 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>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
<b>Kua Hong Pak</b> <i>Managing Director / Group Chief Executive Officer</i>	73	Principal Directorships in the ComfortDelGro Group <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> <li>• VICOM Ltd*</li> <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 Cabcharge 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>Other Companies</p> <ul style="list-style-type: none"> <li>• PSA Corporation Limited</li> <li>• PSA International Pte Ltd</li> <li>• Temasek Holdings (Private) Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Starhub Ltd*</li> </ul>	Nil

\*Listed Company

<b>Name</b>	<b>Age</b>	<b>Present Directorships/ Chairmanships (as at 31 December 2016)</b>	<b>Past Directorships/ Chairmanships in listed companies held over the preceding three years (from 1 January 2014 to 31 December 2016)</b>	<b>Principal Commitments</b>
<b>Ong Ah Heng</b> <i>Director</i> <i>(Non-executive &amp; Independent)</i>	73	Directorship in the ComfortDelGro Group • ComfortDelGro Engineering Pte Ltd	Nil	Nil
<b>Oo Soon Hee</b> <i>Director</i> <i>(Non-executive &amp; Independent)</i>	73	Other Company • NatSteel Holdings Pte Ltd	• NSL Ltd* • SIA Engineering Company Limited*	Nil
<b>Sum Wai Fun</b> <b>Adeline</b> <i>Director</i> <i>(Non-executive &amp; Independent)</i>	48	Other Companies • ChoiceHomes Investments Pte Ltd • Pasir Ris EC Pte Ltd • Punggol Field EC Pte Ltd • Mercatus Delta Co-operative Limited • Mercatus Beta Co-operative Limited • Mercatus Gamma Co-operative Limited • Mercatus Alpha Co-operative Limited • Mercatus Holdings Pte Ltd • Mercatus Uno Pte Ltd • Mercatus Dos Pte Ltd • Wavelink Co-operative Ltd	Nil	Nil
<b>Tow Heng Tan</b> <i>Director</i> <i>(Non-executive &amp; Independent)</i>	61	Other Companies • Alexandra Health System Pte Ltd • Keppel Capital Holdings Pte Ltd • Keppel Corporation Limited* • Fullerton Financial Holdings Pte. Ltd. • Lanting Investments Limited • Palace Investments Pte Ltd • Pav Investments Pte Ltd • PavCap Fund I • Pavillion Capital Fund Holdings Pte Ltd • Pavillion Capital GP Pte Ltd • Pavillion Capital Holdings Pte Ltd • Pavillion Capital International Pte Ltd • Qinting Investments Pte Ltd • Spring Bloom Investments Ltd • ST Asset Management Ltd • Summer Bloom Investments Pte Ltd • Summer Bloom Investments (I) Pte Ltd • Summer Bloom Investments (II) Pte Ltd	Nil	Nil

\*Listed Company

## DIRECTORS' PARTICULARS

Name	Age	Present Directorships/ Chairmanships (as at 31 December 2016)	Past Directorships/ Chairmanships in listed companies held over the preceding three years (from 1 January 2014 to 31 December 2016)	Principal Commitments
<b>Wang Kai Yuen</b> <i>Director</i> <i>(Non-executive &amp; Independent)</i>	69	Other Companies <ul style="list-style-type: none"> <li>• China Aviation Oil (Singapore) Corporation Ltd*</li> <li>• COSCO Corporation (Singapore) 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>• Superbowl Holdings Ltd*</li> <li>• A-Sonic Aerospace Ltd*</li> <li>• Matex International Ltd*</li> </ul>	Nil
<b>Wong Chin Huat, David</b> <i>Director</i> <i>(Non-executive &amp; Independent)</i>	68	Directorship in the ComfortDelGro Group <ul style="list-style-type: none"> <li>• SBS Transit Ltd*</li> </ul> Other Company <ul style="list-style-type: none"> <li>• CapitaMalls Malaysia REIT Management Sdn Bhd</li> </ul>	Nil	<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>

\*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 enables the Business Units to understand the nature and complexity of the risks involved in their business operations and provides a systematic process for the Business Units to identify and review the risks and prioritise resources to manage them. The Group is committed to enhance shareholder value through growth that is sustainable and profitable and taking measured and well-considered risks to achieve it.

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

- The risk management process is a continuous, iterative and developing one, as the Group's businesses and their operating environments are dynamic. Risk identification and 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 assume 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 properly rolled out across the whole Group. Members of the MRC are drawn from Senior Management staff from the major Business Units and key business functions. Key risks for the Group are identified and presented to the Audit and Risk Committee (ARC) and the Board annually.

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

## Budgetary Control

A robust and challenging Annual Budget is prepared and approved by the Board prior to the commencement

of each new financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis and 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 102 to 169.

## 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 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 as part of the management and review process 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. We regularly carry out drills and exercises internally, as well as with external agencies. Fence intrusion detection systems and other security features are installed at operating facilities and security guards deployed to patrol the 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 cause 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 implement preventive measures. 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 continues to invest in building up a

resource pool to support this growth. We have in place various programmes and processes that focus on several key areas, including building management bench strength, talent management, succession planning, performance management, compensation and benefits, training and development, employee conduct and supervision, as well as occupational health and safety. We ensure that employees are selected based on merit, that 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. All terms and conditions of employment, along with policies and procedures, comply 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 regularly update and test the BCPs. 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 means 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 and identify potential security vulnerabilities and allow us to improve the security hardening of our websites. Information security policies and procedures, including security education for all staff, are regularly reviewed and enhanced.

## 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 the 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 well and 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 objective and it can 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 ARC, which reviews the effectiveness of the actions taken to mitigate the risks. In the course of their audits, the Internal and External Auditors highlight to the ARC and Management areas

where there are material deficiencies and weaknesses or the occurrence or potential occurrence of significant risk events and 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 our businesses are conducted, as well as implemented a Whistle Blowing Policy 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 Human Resource Officer or the Group 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 level, with stewardship retained at Senior Management. Action plans that are necessary to manage 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. 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.

# DIRECTORIES

## SINGAPORE

### Bus

#### ComfortDelGro Bus Pte Ltd

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Email: [enquiry@comfortdelgrobus.com.sg](mailto: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](http://www.sbstransit.com.sg)  
Email: [crc@sbstransit.com.sg](mailto:crc@sbstransit.com.sg)

### Rail

#### SBS Transit Ltd\*

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

### Taxi

#### CityCab Pte Ltd

383 Sin Ming Drive  
Singapore 575717  
Mainline: (65) 6555 1188  
Fax: (65) 6453 3183  
Website: [www.cdgtaxi.com.sg](http://www.cdgtaxi.com.sg)  
Email: [feedback@cdgtaxi.com.sg](mailto: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](http://www.cdgtaxi.com.sg)  
Email: [feedback@cdgtaxi.com.sg](mailto:feedback@cdgtaxi.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](http://www.cdge.com.sg)  
Email: [enquiries@cdge.com.sg](mailto: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](http://www.vicom.com.sg)  
Email: [customerservice@vicom.com.sg](mailto: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](http://www.vicom.com.sg)  
Email: [customerservice@vicom.com.sg](mailto: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](http://www.vicom.com.sg)  
Email: [customerservice@vicom.com.sg](mailto:customerservice@vicom.com.sg)

#### Setsco Services Pte Ltd

18 Teban Gardens Crescent  
Singapore 608925  
Mainline: (65) 6566 7777  
Fax: (65) 6566 7718  
Website: [www.setsco.com](http://www.setsco.com)  
Email: [marketing@setsco.com](mailto:marketing@setsco.com)

#### Setsco Consultancy International Pte Ltd

18 Teban Gardens Crescent  
Singapore 608925  
Mainline: (65) 6566 7777  
Fax: (65) 6566 7718  
Website: [www.setsco.com](http://www.setsco.com)  
Email: [marketing@setsco.com](mailto:marketing@setsco.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](http://www.cdc.com.sg)  
Email: [info@cdc.com.sg](mailto: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](http://www.cdgrentacar.com.sg)  
Email: [sales@cdgrentacar.com.sg](mailto: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](mailto: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.moovemediacom.sg](http://www.moovemediacom.sg)  
Email: [advertising@moovemediacom.sg](mailto:advertising@moovemediacom.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: [leongks@comfortdelgro.com](mailto:leongks@comfortdelgro.com)

#### Vehicle Testing Services

##### Beijing Tian Long Da Tian

##### Vehicle Inspection Co., Ltd

Room 201 Tian Long Da Tian  
Office Building  
No. 8 Sun 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](mailto:liuhx@comfortdelgro.com)

\*Listed on the Singapore Exchange

## Jilin City, Jilin Province

### Taxi

#### 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@comfortdelgro.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: leongks@comfortdelgro.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: leongks@comfortdelgro.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 815  
Email: simontan@comfortdelgro.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 618  
Email: simontan@comfortdelgro.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 8859 810  
Email: simontan@comfortdelgro.com

## Vehicle Testing Services

#### Chengdu Jitong Integrated Vehicle Inspection Co., Ltd

No. 13 Jian Cai Road  
Chenghua District  
Chengdu, Sichuan  
Postal Code 610051  
Mainline: (86) 28 8471 6997  
Fax: (86) 28 8471 2137  
Email: simontan@comfortdelgro.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  
Fax: (86) 28 8707 1725  
Email: simontan@comfortdelgro.com

## Chongqing

### Driving Centre

#### Chongqing ComfortDelGro Driver Training Co., Ltd

Huo Ju Road  
Jiu Long Park  
Jiu Long Po District  
Chongqing  
Postal Code 400051  
Mainline: (86) 23 8906 8502  
Fax: (86) 23 8906 8504  
Website: www.kfdgjx.com  
Email: simontan@comfortdelgro.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@comfortdelgro.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@comfortdelgro.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@comfortdelgro.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@comfortdelgro.com

## Nanning, Guangxi Province

### Taxi

#### Nanning Comfort Transportation Co., Ltd

68 Ke Yuan Avenue,  
Building No. 15, Block A,  
2nd Floor, Room 202  
Nanning, Guangxi  
Postal Code 530003  
Mainline: (86) 771 581 6783  
Fax: (86) 771 339 3629  
Email: marctay@comfortdelgro.com

# DIRECTORIES

## AUSTRALIA

### Sydney, New South Wales

#### 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)

#### 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](mailto:advertising@moovemediaz.com)

### Blue Mountains and Hunter Valley, New South Wales

#### 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/blue-mountains-transit-home](http://www.cdcbus.com.au/blue-mountains-transit-home)  
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: <http://www.cdcbus.com.au/huntervalley-buses>  
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: <http://www.cdcbus.com.au/huntervalley-buses>  
Email: [customer.service@cdcbus.com.au](mailto:customer.service@cdcbus.com.au)

### Queanbeyan, New South Wales

#### 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)

### Melbourne, Victoria

#### Bus

##### ComfortDelGro Corporation Australia Pty Ltd

9 Slough Road  
Altona VIC 3018  
Mainline: (61) 3 9392 9900  
Fax: (61) 3 9392 9901  
Website: [www.cdcvictoria.com.au](http://www.cdcvictoria.com.au)  
Email: [info@cdcvictoria.com.au](mailto:info@cdcvictoria.com.au)

### Perth, Western Australia

#### 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)

## UNITED KINGDOM

### London, England

#### 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 Limited

27A Spring Grove Road  
Hounslow  
London TW3 4BE  
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.flchauffeurs.com](http://www.flchauffeurs.com)  
Email: [admin@flchauffeurs.com](mailto:admin@flchauffeurs.com)

### Liverpool, England

#### 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)

### Glasgow, Scotland

#### Coach

##### Scottish Citylink Coaches Limited

Buchanan Bus Station  
Killermont Street  
Glasgow G2 3NW  
Mainline: (44) 141 332 9644  
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, Scotland

### Taxi Radio Circuit

#### Computer Cab (Aberdeen) Limited

Burnside Drive

Dyce

Aberdeen AB21 0HW

Mainline (44) 1224 794 400

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)

## Edinburgh, Scotland

### Taxi Radio Circuit

#### Computer Cab (Edinburgh) Limited

2/6 Spitfire House

Turnhouse Road

Edinburgh EH12 0AL

Mainline: (44) 131 272 8001

Fax: (44) 131 272 8011

Website: [www.comcab-edinburgh.co.uk](http://www.comcab-edinburgh.co.uk)

Email: [enquiries@comcab-edinburgh.co.uk](mailto:enquiries@comcab-edinburgh.co.uk)

### Private Car Hire

#### Onward Travel Ltd

2/6 Spitfire House

Turnhouse Road

Edinburgh EH12 0AL

Mainline: (44) 131 272 8001

Fax: (44) 131 272 8011

Website: [www.onwardtravel.com](http://www.onwardtravel.com)

Email: [admin@onwardtravel.com](mailto:admin@onwardtravel.com)

## IRELAND

## Galway, Ireland

### Inter-City Express Coach

#### ComfortDelGro Irish Citylink Limited

17 Forster Street

Galway

Mainline: (353) 91 564164

Fax: (353) 91 564100

Website: [www.citylink.ie](http://www.citylink.ie)

Email: [info@citylink.ie](mailto:info@citylink.ie)

## VIETNAM

## Ho Chi Minh City

### Taxi

#### ComfortDelGro Savico Taxi Company

384A/2 Kha Van Can St

Quarter 5

Hiep Binh Chanh Ward

Thu Duc District

Ho Chi Minh City

Mainline: (84) 8 3726 9816

Fax: (84) 8 3726 3407

Website: [www.comfortsavico.com.vn](http://www.comfortsavico.com.vn)

Email: [comfortsavico@vnn.vn](mailto:comfortsavico@vnn.vn)

#### 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) 8 3815 5152

Fax: (84) 8 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

## 2016

Announcement of 2015 Full Year Results	12 February 2016
Annual General Meeting	28 April 2016
Announcement of 1st Quarter 2016 Results	12 May 2016
Payment of 2015 final dividend (5.00 cents/share)	16 May 2016
Announcement of 2nd Quarter 2016 Results	12 August 2016
Payment of 2016 interim dividend (4.25 cents/share)	29 August 2016
Announcement of 3rd Quarter 2016 Results	11 November 2016

## 2017

Announcement of 2016 Full Year Results	10 February 2017
Annual General Meeting	26 April 2017
Announcement of 1st Quarter 2017 Results	12 May 2017*
Payment of 2016 final dividend (6.05 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	15 May 2017
Announcement of 2nd Quarter 2017 Results	11 August 2017*
Announcement of 3rd Quarter 2017 Results	10 November 2017*

\* Provisional – Updates will be posted on [www.comfortdelgro.com](http://www.comfortdelgro.com)

# FINANCIAL STATEMENTS

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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 2016 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2016.

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 94 to 169 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 2016, 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)  
Kua Hong Pak (Managing Director/Group Chief Executive Officer)  
Ong Ah Heng  
Oo Soon Hee  
Sum Wai Fun, Adeline  
Tow Heng Tan  
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 2016	At 31 December 2016	At 21 January 2017
<b>Interest in the Company</b>			
(a) Ordinary shares			
Lim Jit Poh	4,425	244,425	244,425
Kua Hong Pak	1,524,530	3,924,530	3,924,530
Ong Ah Heng	635,558	635,558	635,558
Oo Soon Hee	775,000	925,000	925,000
Sum Wai Fun, Adeline	240,000	240,000	240,000
Tow Heng Tan	730,000	850,000	850,000
Wang Kai Yuen	52,500	52,500	52,500
Wong Chin Huat, David	380,000	620,000	620,000



# DIRECTORS' STATEMENT

## 3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (cont'd)

	At 1 January 2016	At 31 December 2016	At 21 January 2017
<b>Interest in the Company (cont'd)</b>			
(b) Options to subscribe for ordinary shares			
Lim Jit Poh	240,000	–	–
Kua Hong Pak	6,000,000	3,600,000	3,600,000
Ong Ah Heng	120,000	120,000	120,000
Oo Soon Hee	300,000	150,000	150,000
Tow Heng Tan	120,000	–	–
Wong Chin Huat, David	240,000	–	–
<b>Interest in subsidiary, SBS Transit Ltd</b>			
(a) Ordinary shares			
Kua Hong Pak	90,000	90,000	90,000
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
Kua Hong Pak	54,000	54,000	54,000

## 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 (Appointed as Chairman on 1 January 2017), Lim Jit Poh, Tow Heng Tan 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.

# DIRECTORS' STATEMENT

## 4 SHARE OPTIONS (cont'd)

### (A) Share options of the Company (cont'd)

- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised during the financial year and options outstanding as at 31 December 2016 were as follows:

Date of grant	Number of options to subscribe for ordinary shares		Outstanding at 31 December 2016	Subscription price per share	Expiry date
	Outstanding at 1 January 2016	Exercised			
13 July 2006	1,870,000	(1,870,000)	–	\$1.500	12 July 2016
22 June 2007	2,050,000	(830,000)	1,220,000	\$2.260	21 June 2017
25 June 2008	1,525,000	(190,000)	1,335,000	\$1.590	24 June 2018
25 June 2009	1,740,000	(140,000)	1,600,000	\$1.273	24 June 2019
2 July 2010	3,150,000	(1,855,000)	1,295,000	\$1.467	1 July 2020
23 June 2011	270,000	(270,000)	–	\$1.373	22 June 2016
23 June 2011	3,002,000	(432,000)	2,570,000	\$1.373	22 June 2021
20 June 2012	750,000	(480,000)	270,000	\$1.475	19 June 2017
20 June 2012	5,270,000	(520,000)	4,750,000	\$1.475	19 June 2022
<b>Total</b>	<b>19,627,000</b>	<b>(6,587,000)</b>	<b>13,040,000</b>		

The options outstanding as at 31 December 2016 include 730,000 options granted to a former employee of the Group who has been granted an extension from the date of retirement by the Remuneration Committee to exercise the outstanding options.

- (iv) Details of the options granted to Directors during the financial year and since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme\*) up to 31 December 2016 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2016	Aggregate options exercised since the commencement to 31 December 2016	Aggregate options lapsed/forfeited since the commencement to 31 December 2016	Aggregate options outstanding at 31 December 2016
Lim Jit Poh	2,773,577	2,273,577	500,000	–
Kua Hong Pak	12,300,000	6,300,000	2,400,000	3,600,000
Ong Ah Heng	1,517,540	1,047,540	350,000	120,000
Oo Soon Hee	1,650,000	1,125,000	375,000	150,000
Sum Wai Fun, Adeline	600,000	600,000	–	–
Tow Heng Tan	1,200,000	850,000	350,000	–
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).

# DIRECTORS' STATEMENT

## 4 SHARE OPTIONS (cont'd)

### (A) Share options of the Company (cont'd)

- (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 2016.

### (B) Share options of subsidiaries

#### (a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 3,085,000 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 2016	Aggregate options exercised since the commencement to 31 December 2016	Aggregate options lapsed since the commencement to 31 December 2016	Aggregate options outstanding at 31 December 2016
Lim Jit Poh	780,000	480,000	300,000	–
Kua Hong Pak	690,000	240,000	450,000	–
Wong Chin Huat, David	475,000	295,000	180,000	–

#### (b) VICOM Ltd ("VICOM")

- (i) At the end of the financial year, there was no unissued shares of VICOM Ltd under option relating to the 2001 VICOM Share Option Scheme (the "2001 VSOS"). The VSOS expired on 26 April 2011 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 2001 VSOS and the respective grants. Details and terms of the share options and the 2001 VSOS have been disclosed in the Directors' Statement of VICOM Ltd.
- (ii) There were no share options granted to the Directors of the Company during the financial year and no outstanding share options held by the Directors as at 31 December 2016 as the last grant of share options was issued to the Directors in 2005 and expired in 2010. Details of the options granted and exercised by the Directors since the commencement of the 2001 VSOS up to 31 December 2016 are not disclosed as there were no movements in options granted and exercised and such details had been disclosed in the prior years.

# DIRECTORS' STATEMENT

## 5 AUDIT AND RISK COMMITTEE

At the date of this report, the Audit and Risk Committee comprises four non-executive and independent Directors as follows:

Sum Wai Fun, Adeline (Appointed as Chairman on 1 January 2017)  
Ong Ah Heng  
Oo Soon Hee  
Wong Chin Huat, David

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

**Kua Hong Pak**  
Managing Director/Group Chief Executive Officer

Singapore  
10 February 2017

# 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 Statements of Financial Position of the Group and the Company as at 31 December 2016, and the Income Statement, Comprehensive Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Group and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 94 to 169.

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

### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the Financial Statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### Taxi licences and Goodwill impairment review

The Group reviews taxi licences with indefinite useful lives and goodwill for impairment annually or when there is an impairment indication. Management exercises significant judgements in the assumptions on inputs used in the discounted cash flow forecasts to determine the recoverable amounts. The taxi licences and goodwill are disclosed in Notes 14 and 15 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 as disclosed in Note 3 to the Financial Statements. We also performed sensitivity analysis around the key inputs including growth rates and discount rates used in the cash flow forecasts. We compared the growth rates to recent business performance, trend analysis and the growth rate for the relevant country. For the discount rate, we compared it to the weighted average cost of capital. We found Management's key assumptions to be within the reasonable range of our expectations.

#### Valuation and completeness of provision for accident claims

The valuation and completeness of provisions for settlement of accident claims involves estimation uncertainty (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 in determining the provision for accident claims as disclosed in Note 21 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 evaluate the reasonableness of the provision estimated by Management. Based on our procedures, we found Management's key assumptions to be within the reasonable range of our expectations.

# INDEPENDENT AUDITOR'S REPORT

## To the Members of ComfortDelGro Corporation Limited

### Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

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

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

### Responsibilities of Management and Directors for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

# INDEPENDENT AUDITOR'S REPORT

To the Members of ComfortDelGro Corporation Limited

## Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## Report on Other Legal and Regulatory Requirements

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

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

## DELOITTE & TOUCHE LLP

Public Accountants and  
Chartered Accountants  
Singapore

10 February 2017

# STATEMENTS OF FINANCIAL POSITION

31 December 2016

	Note	The Group		The Company	
		2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
<b>ASSETS</b>					
<b>Current assets</b>					
Short-term deposits and bank balances	4	779.3	787.8	309.6	329.6
Trade receivables	5	237.4	192.9	–	–
Other receivables and prepayments	6	152.7	223.9	2.5	1.8
Due from subsidiaries	7	–	–	2.9	3.7
Inventories	8	81.7	75.1	–	–
<b>Total current assets</b>		<b>1,251.1</b>	<b>1,279.7</b>	<b>315.0</b>	<b>335.1</b>
<b>Non-current assets</b>					
Subsidiaries	9	–	–	1,121.5	1,121.5
Associates	10	11.2	10.2	0.3	0.1
Investments	11	62.9	51.6	41.7	33.0
Other receivables and prepayments	6	3.0	22.4	0.1	0.1
Grant receivables	12	237.6	245.3	–	–
Due from subsidiaries	7	–	–	19.8	19.5
Vehicles, premises and equipment	13	2,887.4	2,909.0	8.0	9.5
Taxi licences	14	217.7	230.5	–	–
Goodwill	15	427.5	442.6	–	–
Deferred tax assets	16	23.6	25.0	–	–
<b>Total non-current assets</b>		<b>3,870.9</b>	<b>3,936.6</b>	<b>1,191.4</b>	<b>1,183.7</b>
<b>Total assets</b>		<b>5,122.0</b>	<b>5,216.3</b>	<b>1,506.4</b>	<b>1,518.8</b>

See accompanying notes to the Financial Statements.



# STATEMENTS OF FINANCIAL POSITION

31 December 2016

	Note	The Group		The Company	
		2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Borrowings	17	169.3	126.4	-	-
Trade and other payables	18	771.4	833.4	49.9	50.4
Deferred grants	19	17.9	17.3	-	-
Due to subsidiaries and associate	20	14.3	10.9	422.2	426.8
Fuel price equalisation account		20.0	20.0	-	-
Insurance premiums payable and provision for accident claims	21	70.2	79.8	-	-
Income tax payable		48.5	49.1	2.6	2.2
<b>Total current liabilities</b>		<b>1,111.6</b>	<b>1,136.9</b>	<b>474.7</b>	<b>479.4</b>
<b>Non-current liabilities</b>					
Borrowings	17	175.8	432.2	-	-
Deferred grants	19	279.6	279.2	-	-
Other liabilities	22	90.7	109.5	0.1	0.1
Fuel price equalisation account		20.0	20.0	-	-
Deferred tax liabilities	16	252.2	225.9	2.3	2.8
<b>Total non-current liabilities</b>		<b>818.3</b>	<b>1,066.8</b>	<b>2.4</b>	<b>2.9</b>
<b>Total liabilities</b>		<b>1,929.9</b>	<b>2,203.7</b>	<b>477.1</b>	<b>482.3</b>
<b>Capital, reserves and non-controlling interests</b>					
Share capital	23	676.9	665.5	676.9	665.5
Other reserves	24	23.4	(64.2)	(13.3)	(21.0)
Foreign currency translation reserve		(125.5)	(53.7)	-	-
Accumulated profits		1,900.7	1,787.5	365.7	392.0
Equity attributable to shareholders of the Company		2,475.5	2,335.1	1,029.3	1,036.5
Non-controlling interests		716.6	677.5	-	-
<b>Total equity</b>		<b>3,192.1</b>	<b>3,012.6</b>	<b>1,029.3</b>	<b>1,036.5</b>
<b>Total liabilities and equity</b>		<b>5,122.0</b>	<b>5,216.3</b>	<b>1,506.4</b>	<b>1,518.8</b>

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

See accompanying notes to the Financial Statements.

# GROUP INCOME STATEMENT

Year Ended 31 December 2016

	Note	2016 \$'mil	2015 \$'mil
<b>Revenue</b>	25	4,059.5	4,111.5
Staff costs	26	(1,458.0)	(1,403.5)
Contract services		(560.9)	(566.0)
Depreciation and amortisation		(396.0)	(389.3)
Repairs and maintenance costs		(258.6)	(249.3)
Fuel and electricity costs		(231.7)	(301.7)
Materials and consumables costs		(154.0)	(210.9)
Road tax		(138.5)	(137.0)
Insurance premiums and accident claims		(125.8)	(125.1)
Premises costs		(91.4)	(86.6)
Taxi drivers' benefits		(55.6)	(59.6)
Advertising production and promotion costs		(21.7)	(20.1)
Utilities and communication costs		(19.7)	(21.1)
Vehicle leasing charges		(19.2)	(20.6)
Other operating costs		(66.2)	(70.0)
<b>Total Operating Costs</b>		<b>(3,597.3)</b>	<b>(3,660.8)</b>
<b>Operating Profit</b>		<b>462.2</b>	<b>450.7</b>
Net Income from Investments		13.9	15.0
Finance Costs	27	(14.4)	(18.4)
Share of Profit in Associate	10	4.9	4.9
<b>Profit before Taxation</b>		<b>466.6</b>	<b>452.2</b>
Taxation	28	(88.2)	(88.4)
<b>Profit after Taxation</b>	29	<b>378.4</b>	<b>363.8</b>
Attributable to:			
Shareholders of the Company		317.1	301.9
Non-Controlling Interests		61.3	61.9
		<b>378.4</b>	<b>363.8</b>
Earnings per share (in cents):			
Basic	30	14.72	14.07
Diluted	30	14.68	14.01

See accompanying notes to the Financial Statements.

# GROUP COMPREHENSIVE INCOME STATEMENT

Year Ended 31 December 2016

	Note	2016 \$'mil	2015 \$'mil
<b>Profit after Taxation</b>	29	378.4	363.8
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		47.1	33.8
Fair value adjustment on bonds		(0.1)	(0.2)
Exchange differences on translation of foreign operations		(79.2)	(10.0)
		(32.2)	23.6
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		0.9	3.3
Fair value adjustment on equity investments		10.5	(19.8)
Revaluation of premises <sup>(Note A)</sup>		40.2	–
		51.6	(16.5)
<b>Other comprehensive income for the year</b>		19.4	7.1
<b>Total comprehensive income for the year</b>		397.8	370.9
<b>Attributable to:</b>			
Shareholders of the Company		329.8	310.7
Non-Controlling Interests		68.0	60.2
		397.8	370.9

## Note A

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

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2016

	The Group						
	Attributable to shareholders of the Company						
	Share capital \$'mil	Other reserves \$'mil	Foreign currency translation reserve \$'mil	Accumulated profits \$'mil	Total \$'mil	Non- controlling interests \$'mil	Total equity \$'mil
<b>Balance at 1 January 2015</b>	<b>646.4</b>	<b>(77.4)</b>	<b>(50.4)</b>	<b>1,671.3</b>	<b>2,189.9</b>	<b>648.9</b>	<b>2,838.8</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	301.9	301.9	61.9	363.8
Other comprehensive income for the year	–	12.1	(3.3)	–	8.8	(1.7)	7.1
<b>Total</b>	<b>–</b>	<b>12.1</b>	<b>(3.3)</b>	<b>301.9</b>	<b>310.7</b>	<b>60.2</b>	<b>370.9</b>
<b>Transactions recognised directly in equity</b>							
Exercise of share options (Notes 23 and 24)	19.1	(1.6)	–	–	17.5	–	17.5
Payment of dividends (Note 35)	–	–	–	(182.5)	(182.5)	–	(182.5)
Other reserves	–	2.7	–	(3.2)	(0.5)	(31.6)	(32.1)
<b>Total</b>	<b>19.1</b>	<b>1.1</b>	<b>–</b>	<b>(185.7)</b>	<b>(165.5)</b>	<b>(31.6)</b>	<b>(197.1)</b>
<b>Balance at 31 December 2015</b>	<b>665.5</b>	<b>(64.2)</b>	<b>(53.7)</b>	<b>1,787.5</b>	<b>2,335.1</b>	<b>677.5</b>	<b>3,012.6</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	317.1	317.1	61.3	378.4
Other comprehensive income for the year	–	84.5	(71.8)	–	12.7	6.7	19.4
<b>Total</b>	<b>–</b>	<b>84.5</b>	<b>(71.8)</b>	<b>317.1</b>	<b>329.8</b>	<b>68.0</b>	<b>397.8</b>
<b>Transactions recognised directly in equity</b>							
Exercise of share options (Notes 23 and 24)	11.4	(1.1)	–	–	10.3	–	10.3
Payment of dividends (Note 35)	–	–	–	(199.4)	(199.4)	–	(199.4)
Other reserves	–	4.2	–	(4.5)	(0.3)	(28.9)	(29.2)
<b>Total</b>	<b>11.4</b>	<b>3.1</b>	<b>–</b>	<b>(203.9)</b>	<b>(189.4)</b>	<b>(28.9)</b>	<b>(218.3)</b>
<b>Balance at 31 December 2016</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>

See accompanying notes to the Financial Statements.

# STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2016

	The Company			
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	Total equity \$'mil
<b>Balance at 1 January 2015</b>	<b>646.4</b>	<b>(2.5)</b>	<b>402.6</b>	<b>1,046.5</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	–	–	171.7	171.7
Other comprehensive income for the year	–	(16.9)	–	(16.9)
<b>Total</b>	<b>–</b>	<b>(16.9)</b>	<b>171.7</b>	<b>154.8</b>
<b>Transactions recognised directly in equity</b>				
Exercise of share options (Notes 23 and 24)	19.1	(1.6)	–	17.5
Payment of dividends (Note 35)	–	–	(182.5)	(182.5)
Other reserves	–	–	0.2	0.2
<b>Total</b>	<b>19.1</b>	<b>(1.6)</b>	<b>(182.3)</b>	<b>(164.8)</b>
<b>Balance at 31 December 2015</b>	<b>665.5</b>	<b>(21.0)</b>	<b>392.0</b>	<b>1,036.5</b>
<b>Total comprehensive income for the year</b>				
Profit for the year	–	–	173.0	173.0
Other comprehensive income for the year	–	8.8	–	8.8
<b>Total</b>	<b>–</b>	<b>8.8</b>	<b>173.0</b>	<b>181.8</b>
<b>Transactions recognised directly in equity</b>				
Exercise of share options (Notes 23 and 24)	11.4	(1.1)	–	10.3
Payment of dividends (Note 35)	–	–	(199.4)	(199.4)
Other reserves	–	–	0.1	0.1
<b>Total</b>	<b>11.4</b>	<b>(1.1)</b>	<b>(199.3)</b>	<b>(189.0)</b>
<b>Balance at 31 December 2016</b>	<b>676.9</b>	<b>(13.3)</b>	<b>365.7</b>	<b>1,029.3</b>

See accompanying notes to the Financial Statements.

# GROUP CASH FLOW STATEMENT

Year Ended 31 December 2016

	2016 \$'mil	2015 \$'mil
<b>Operating activities</b>		
Profit before Taxation	466.6	452.2
Adjustments for:		
Depreciation and amortisation	396.0	389.3
Finance costs	14.4	18.4
Interest income	(11.6)	(12.2)
Dividend income	(2.5)	(2.6)
Grant income	(104.4)	(130.8)
Net gain on disposal of vehicles	(2.3)	(6.2)
Share of profit in associate	(4.9)	(4.9)
Others	6.1	2.2
Operating cash flows before movements in working capital	757.4	705.4
Inventories	(7.5)	(2.8)
Trade receivables	(104.7)	(36.0)
Other receivables and prepayments	121.4	(24.7)
Grant receivables, net of deferred grants	(0.7)	0.7
Trade and other payables	21.4	59.2
Other liabilities	(15.3)	(15.2)
Insurance premiums payable and provision for accident claims	(6.1)	(4.6)
Cash generated from operations	765.9	682.0
Income tax paid	(63.4)	(81.8)
Net cash from operating activities	702.5	600.2
<b>Investing activities</b>		
Purchases of vehicles, premises and equipment	(466.5)	(669.6)
Less: Vehicles purchased under finance lease arrangements	-	19.1
Less: Proceeds from disposal of vehicles	78.2	262.8
Cash payments on purchase of vehicles, premises and equipment	(388.3)	(387.7)
Payment for taxi licences	(0.5)	(1.5)
Investment made	(0.3)	-
Divestment of a subsidiary, net of cash [Note (a)]	-	0.2
Return of capital from an associate	0.6	-
Interest received	11.3	11.5
Dividend received from an associate	3.4	2.9
Dividend received from investments	2.5	2.6
Net cash used in investing activities	(371.3)	(372.0)

See accompanying notes to the Financial Statements.

# GROUP CASH FLOW STATEMENT

Year Ended 31 December 2016

	2016 \$'mil	2015 \$'mil
<b>Financing activities</b>		
New loans raised	437.5	472.5
Repayment of borrowings	(646.9)	(662.1)
Capital contribution from non-controlling shareholder of a subsidiary	0.5	–
Dividends paid to shareholders of the Company	(199.4)	(182.5)
Dividends paid to non-controlling shareholders of subsidiaries	(30.6)	(31.8)
Proceeds from exercise of share options of the Company	10.3	17.5
Proceeds from exercise of share options of subsidiaries	2.4	0.2
Grants received	120.2	135.2
Interest paid	(14.9)	(18.2)
Proceeds from unclaimed dividends	0.1	0.2
Net cash used in financing activities	(320.8)	(269.0)
<b>Net effect of exchange rate changes in consolidating subsidiaries</b>	(18.9)	2.8
Net decrease in cash and cash equivalents	(8.5)	(38.0)
Cash and cash equivalents at beginning of year	787.8	825.8
<b>Cash and cash equivalents at end of year (Note 4)</b>	779.3	787.8

## Note (a):

### Summary of the effects of divestment of a subsidiary:

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

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

See accompanying notes to the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 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 38.

The Financial Statements are expressed in Singapore dollars and all values are rounded to the nearest million (\$'mil) except when otherwise indicated.

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2016 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2016 were authorised for issue by the Board of Directors on 10 February 2017.

## 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 Singapore Financial Reporting Standards (“FRSs”).

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 FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

**ADOPTION OF NEW AND REVISED FINANCIAL STANDARDS** – In the current financial year, the Group has adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on 1 January 2016.

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

**NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED** – The Group has not applied the following accounting standards that are relevant to the Group and have been issued as at the end of the reporting period but are not yet effective:

FRS 115	– <i>Revenue from Contracts with Customers (with classifications issued)</i> <sup>2</sup>
FRS 116	– <i>Leases</i> <sup>3</sup>
Amendments to FRS 7	– <i>Statement of Cash Flows: Disclosure Initiative</i> <sup>1</sup>
Amendments to FRS 12	– <i>Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses</i> <sup>1</sup>

<sup>1</sup> Applies to annual periods beginning on or after 1 January 2017, with early application permitted.

<sup>2</sup> Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

<sup>3</sup> Applies to annual periods beginning on or after 1 January 2019, with early application permitted, if FRS 115 is adopted.

These standards are not expected to have any material impact on the Group's Financial Statements when they are adopted, except for the additional disclosures in respect of the new standards and the effects of FRS 116 which may result in certain operating lease arrangements being recorded in the Statements of Financial Position.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**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.

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 FRS 103 *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 FRS 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.

**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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### Financial assets

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.

### Cash and cash equivalents

Cash and cash equivalents comprise bank balances and short-term deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through Profit or Loss which are initially measured at fair value.

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through Profit or Loss on initial recognition):

- 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.

All other financial assets are subsequently measured at fair value.

### Financial assets at fair value through other comprehensive income (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.

Investments in bonds are subsequently measured at FVTOCI if both of the following conditions are met:

- 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.

Investments in bonds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, any gain or loss 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### *Trade and other receivables*

Trade receivables, other receivables and grant receivables that have fixed or determinable payments that are not quoted in an active market are classified as "trade and other receivables". Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method less allowance for expected credit losses. Receivables at amortised cost are assets that are held for collection of contractual cash flows. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

### *Provision for impairment of financial assets*

Trade and other receivables are assessed for indicators of impairment at the end of each reporting period.

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised at initial recognition of the receivables.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivables from the date credit was initially granted up to the reporting date and expected credit losses as at end of the reporting period. 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 receivable due. Where recoveries are made, these are recognised in Profit or Loss.

### **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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### *Hedging instruments and hedge accounting*

The Group continues to apply FRS 39 *Financial Instruments* and 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 34).

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 period. 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.

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 34(b) 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 2016

## 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:

	Number of years
Buses	8 to 25
Leasehold bus depots	Over the period of the lease
Leasehold land and buildings	Over the period of the lease
Freehold buildings	50
Taxis and motor vehicles for rental	5 to 8
Computers and automated equipment	1 to 6
Workshop machinery, tools and equipment	2 to 20
Motor vehicles	3 to 15
Furniture, fittings and equipment	2 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 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 FRS 105. 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 period, 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 2016

## 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 TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL** – At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible 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, and whenever 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 period, taking into account the risks and uncertainties surrounding the obligation.

**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, 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.
- (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 period.

- (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 period. 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 period.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(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.

**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** – Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales related taxes.

Revenue from rendering of services is recognised as and when services are rendered.

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Rental income is recognised on a straight-line basis over the term of the relevant lease.

**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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

**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 period.

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 period 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.

**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 period, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting period. 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).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 period. 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.

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.

## 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 period, 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 21 is \$63.6 million (2015 : \$71.1 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. An estimate of the liability for the period from 2005 to 2008 of \$6.6 million (2015 : \$8.7 million) had been made based on the history of incurred claims per vehicle for each of the policy year (Note 21).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

### (iii) Retirement benefits and long service awards

For certain subsidiaries, retirement benefit 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 period 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 period.

The total provision for service benefits and long service awards is disclosed in Note 22(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 period. The retirement benefit obligation recognised in the Group's Statement of Financial Position amounting to \$5.7 million (2015 : \$11.0 million) disclosed in Note 22(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.

### Impairment review of goodwill and taxi licences

The Group tests goodwill and taxi licences annually for impairment, or more frequently if there are indications that they might be impaired.

Determining whether goodwill and taxi licences are impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which goodwill and taxi licences have been allocated (Notes 14 and 15). 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 goodwill and taxi licences 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.

The discount rates applied to the forecast for the Group and the growth rates by CGUs with significant goodwill and taxi licences are assumed as follows:

	Discount rates			Growth rates	
	2016 %	2015 %		2016 %	2015 %
Public Transport Services business in Australia	6.3	6.6	Public Transport Services business in Australia	2.7	2.9
Public Transport Services business in UK	5.7	5.9	Public Transport Services business in UK	1.1	2.2
Taxi business in China	7.6	7.4	Taxi business in China	3.0	3.0

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

The expected changes to profit margins are based on past performance and Management's expectation of market development.

As at 31 December 2016 and 31 December 2015, any reasonably possible changes to the key assumptions applied are not likely to cause the recoverable amount to be below the carrying amount of the CGU.

### 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 period. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

## 4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Cash and bank balances	18.1	16.4	–	–
Interest bearing bank balances	118.6	101.2	0.5	1.0
Fixed deposits	642.6	670.2	309.1	328.6
Total	779.3	787.8	309.6	329.6

Interest bearing bank balances bear effective interest rates ranging from 0% to 1.3% (2015 : 0% to 2.7%) per annum.

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.1% to 6.0% (2015 : 0.1% to 5.5%) per annum. These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 5 TRADE RECEIVABLES

	The Group	
	2016 \$'mil	2015 \$'mil
Outside parties	240.8	196.1
Allowance for expected credit losses	(3.4)	(3.2)
Net	237.4	192.9

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2015 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

The expected risk of default on trade receivables at the reporting date are insignificant as a majority of receivables is 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	
	2016 \$'mil	2015 \$'mil
Balance at beginning of the year	3.2	1.8
Amounts written off during the year	(1.5)	(0.7)
Increase in allowance recognised in Profit or Loss	1.7	2.1
Balance at end of the year	3.4	3.2

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 6 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Prepayments	72.3	71.7	0.4	0.4
Downpayments for the purchase of vehicles, premises and equipment	2.6	21.6	–	–
Interest receivable	3.9	3.7	0.3	0.3
Security and tender deposits	1.6	1.4	–	–
Grant receivables (Note 12)	26.5	42.6	–	–
Others	48.8	105.3	1.9	1.2
<b>Total</b>	<b>155.7</b>	<b>246.3</b>	<b>2.6</b>	<b>1.9</b>
Analysed as:				
Current	152.7	223.9	2.5	1.8
Non-current	3.0	22.4	0.1	0.1
<b>Total</b>	<b>155.7</b>	<b>246.3</b>	<b>2.6</b>	<b>1.9</b>

Majority of the other receivables are due from transport regulators where Management has assessed the credit risk to be low.

## 7 DUE FROM SUBSIDIARIES

	The Company	
	2016 \$'mil	2015 \$'mil
Receivables from subsidiaries	22.7	23.2
Analysed as:		
Current	2.9	3.7
Non-current	19.8	19.5
<b>Total</b>	<b>22.7</b>	<b>23.2</b>

Of the amount of \$22.7 million (2015 : \$23.2 million) due from subsidiaries, \$19.8 million (2015 : \$19.5 million) relates to a loan which bears variable interest at rate of 3.27% (2015 : 3.70%) per annum and is unsecured. The remaining balance of \$2.9 million (2015 : \$3.7 million) is unsecured and interest-free.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 8 INVENTORIES

	The Group	
	2016 \$'mil	2015 \$'mil
Goods held for sale	11.7	15.2
Consumables, materials and supplies	68.2	57.8
Work in progress	1.8	2.1
	81.7	75.1

## 9 SUBSIDIARIES

	The Company	
	2016 \$'mil	2015 \$'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	1,027.9	1,027.9
	1,121.5	1,121.5
Market value of quoted equity shares	830.3	808.2

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	
		2016	2015
Investment holding	Singapore	4	4
Investment holding	United Kingdom	2	2
Investment holding	Malaysia	1	1
Bus	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Ireland	1	1
Rail	United Kingdom	1	1
Advertising	Singapore	1	1
Advertising	Australia	1	1
Automotive engineering services	Singapore	1	1
Taxi	Singapore	1	1
Taxi	Australia	1	1
Taxi	China	3	3
Car rental and leasing	Singapore	1	1
Car rental and leasing	China	1	1
Car rental and leasing	Malaysia	1	1



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 9 SUBSIDIARIES (cont'd)

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2016	2015
Investment holding	Australia	3	3
Bus and rail	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Australia	14	14
Rail	Singapore	1	1
Bus station	China	1	1
Driving centre	Singapore	1	1
Driving centre	China	3	3
Inspection and testing services	Singapore	5	5
Inspection and testing services	Malaysia	1	1
Inspection and testing services	China	2	2
Inspection and testing services	United Arab Emirates	1	–
Taxi	Singapore	2	2
Taxi	China	7	7
Taxi	United Kingdom	11	11
Taxi	Vietnam	2	2
Automotive engineering services	Australia	1	1

Details of subsidiaries are included in Note 38(a).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 10 ASSOCIATES

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Unquoted equity shares	0.8	1.2	0.3	0.1
Add: Share of post-acquisition reserves	10.4	9.0	–	–
Total	11.2	10.2	0.3	0.1

(a) Details of significant associates are included in Note 38(b).

(b) Summarised financial information in respect of the Group's associates is set out below:

	The Group	
	2016 \$'mil	2015 \$'mil
Total assets	29.5	28.3
Total liabilities	(8.2)	(9.9)
Net assets	21.3	18.4
Group's share of associates' net assets	10.4	9.0
Revenue	18.4	18.0
Profit for the year	10.2	10.0
Group's share of associates' profit	4.9	4.9

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 11 INVESTMENTS

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Financial assets at fair value through Other Comprehensive Income:				
Equity shares in a corporation	52.3	40.9	36.4	27.6
Bond in SP PowerAssets Limited	10.6	10.7	5.3	5.4
<b>Total</b>	<b>62.9</b>	<b>51.6</b>	<b>41.7</b>	<b>33.0</b>

The equity shares in a corporation represent investment for long-term strategic purpose. Dividends received during the year amounted to \$2.5 million (2015 : \$2.6 million). The fair values are based on the closing market prices on the last market day of the financial year.

## 12 GRANT RECEIVABLES

	The Group	
	2016 \$'mil	2015 \$'mil
Grant receivables	264.1	287.9
Analysed as:		
Current (Note 6)	26.5	42.6
Non-current	237.6	245.3
<b>Total</b>	<b>264.1</b>	<b>287.9</b>

Included in the grant receivables is \$264.1 million (2015 : \$269.8 million) which is unsecured, bear effective interest at rates ranging from 4.26% to 8.19% (2015 : 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 grants receivable 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 2016

## 13 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 2015	2,313.5	48.6	364.8	178.0
Arising from disposal of a subsidiary	–	–	–	–
Additions	104.0	–	3.3	9.0
Disposals	(301.6)	–	(1.4)	(2.3)
Transfers from capital projects in progress	153.8	–	4.0	–
Reclassification	–	–	–	(0.4)
Exchange differences	(16.8)	–	1.6	(4.5)
At 31 December 2015	2,252.9	48.6	372.3	179.8
Additions	78.0	–	2.1	4.7
Disposals	(83.7)	–	(3.9)	–
Transfers from capital projects in progress	1.3	–	3.8	0.7
Revaluation	–	15.2	–	–
Exchange differences	(68.7)	–	(7.0)	(7.5)
At 31 December 2016	2,179.8	63.8	367.3	177.7

\* A leasehold land and building at a bus depot is stated at revalued amount (Note 24) 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 37) in Singapore. As at 31 December 2016, the carrying amount of the leasehold land and building would have been \$23.0 million (2015 : \$24.8 million), had the depot been carried at cost less accumulated depreciation.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

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
1,593.1	223.5	148.4	30.3	39.2	28.2	4,967.6
(0.5)	–	–	–	–	–	(0.5)
324.1	11.6	11.6	6.9	1.5	197.6	669.6
(200.3)	(4.8)	(4.0)	(4.7)	(0.7)	–	(519.8)
25.4	3.0	0.4	0.1	1.2	(187.9)	–
–	0.2	0.2	–	–	–	–
5.0	0.7	(0.6)	–	(0.1)	0.3	(14.4)
1,746.8	234.2	156.0	32.6	41.1	38.2	5,102.5
307.1	21.5	23.7	2.6	3.0	23.8	466.5
(245.0)	(9.0)	(5.5)	(2.1)	(1.6)	(19.9)	(370.7)
17.2	9.7	4.8	–	–	(37.5)	–
–	–	–	–	–	–	15.2
(9.8)	(10.4)	(4.1)	(0.1)	(0.2)	(0.7)	(108.5)
1,816.3	246.0	174.9	33.0	42.3	3.9	5,105.0

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 13 VEHICLES, PREMISES AND EQUIPMENT (cont'd)

	Buses \$'mil	Leasehold land and buidling* \$'mil	Other leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
<b>Accumulated depreciation:</b>				
At 1 January 2015	744.4	22.1	222.8	14.1
Depreciation	139.4	1.7	11.7	1.7
Arising from disposal of a subsidiary	–	–	–	–
Disposals	(81.7)	–	(1.4)	–
Reclassification	–	–	–	–
Exchange differences	(4.3)	–	0.7	0.1
At 31 December 2015	797.8	23.8	233.8	15.9
Depreciation	130.6	2.7	11.9	1.8
Disposals	(83.3)	–	(0.5)	–
Revaluation	–	(25.0)	–	–
Exchange differences	(30.4)	–	(3.1)	(2.0)
At 31 December 2016	814.7	1.5	242.1	15.7
<b>Provision for impairment:</b>				
At 1 January 2015	0.1	–	–	–
Provision for the year	–	–	–	–
At 31 December 2015	0.1	–	–	–
Provision for the year	–	–	–	–
At 31 December 2016	0.1	–	–	–
<b>Carrying amount:</b>				
At 31 December 2016	1,365.0	62.3	125.2	162.0
At 31 December 2015	1,455.0	24.8	138.5	163.9

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

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
710.6	188.5	104.8	16.7	29.6	–	2,053.6
199.9	12.3	12.0	3.5	2.4	–	384.6
(0.3)	–	–	–	–	–	(0.3)
(168.0)	(3.9)	(3.9)	(3.6)	(0.7)	–	(263.2)
0.2	–	(0.2)	–	–	–	–
2.6	0.9	(0.1)	–	(0.1)	–	(0.2)
745.0	197.8	112.6	16.6	31.2	–	2,174.5
213.7	15.1	12.7	3.4	2.6	–	394.5
(194.1)	(8.5)	(5.1)	(1.8)	(1.5)	–	(294.8)
–	–	–	–	–	–	(25.0)
(5.2)	(8.7)	(3.5)	(0.1)	(0.1)	–	(53.1)
759.4	195.7	116.7	18.1	32.2	–	2,196.1
18.6	0.2	–	–	–	–	18.9
0.1	–	–	–	–	–	0.1
18.7	0.2	–	–	–	–	19.0
2.5	–	–	–	–	–	2.5
21.2	0.2	–	–	–	–	21.5
1,035.7	50.1	58.2	14.9	10.1	3.9	2,887.4
983.1	36.2	43.4	16.0	9.9	38.2	2,909.0

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 13 VEHICLES, PREMISES AND EQUIPMENT (cont'd)

Buses of the Group with a total carrying amount of \$50.3 million (2015 : \$266.6 million) are either under finance lease arrangements or secured for bank loans as disclosed in Note 17.

During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a provision for impairment of \$2.5 million (2015 : \$0.1 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 bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Total \$'mil
<b>The Company</b>						
<b>Cost:</b>						
At 1 January 2015	7.6	53.0	4.4	0.4	7.9	73.3
Additions	–	0.1	0.5	–	0.1	0.7
At 31 December 2015	7.6	53.1	4.9	0.4	8.0	74.0
Additions	–	–	0.4	0.4	0.4	1.2
Disposals	–	(0.1)	–	(0.4)	(0.2)	(0.7)
At 31 December 2016	7.6	53.0	5.3	0.4	8.2	74.5
<b>Accumulated depreciation:</b>						
At 1 January 2015	7.6	43.7	3.7	0.1	6.9	62.0
Depreciation	–	1.8	0.4	0.1	0.2	2.5
At 31 December 2015	7.6	45.5	4.1	0.2	7.1	64.5
Depreciation	–	1.7	0.4	0.1	0.2	2.4
Disposals	–	(0.1)	–	(0.2)	(0.1)	(0.4)
At 31 December 2016	7.6	47.1	4.5	0.1	7.2	66.5
<b>Carrying amount:</b>						
At 31 December 2016	–	5.9	0.8	0.3	1.0	8.0
At 31 December 2015	–	7.6	0.8	0.2	0.9	9.5



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 14 TAXI LICENCES

	The Group	
	2016 \$'mil	2015 \$'mil
<b>Cost:</b>		
At beginning of year	286.1	281.5
Additions	0.5	1.5
Exchange differences	(14.6)	3.1
At end of year	272.0	286.1
<b>Accumulated amortisation:</b>		
At beginning of year	55.6	49.4
Amortisation for the year	1.5	4.7
Exchange differences	(2.8)	1.5
At end of year	54.3	55.6
<b>Carrying amount:</b>		
At end of year	217.7	230.5
At beginning of year	230.5	232.1

Of the carrying amount of \$217.7 million (2015 : \$230.5 million) is \$176.2 million (2015 : \$184.0 million) of taxi licences in China and \$8.2 million (2015 : \$9.3 million) of bus operating rights in the United Kingdom with indefinite lives.

The remaining balance of \$33.3 million (2015 : \$37.2 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised.

## 15 GOODWILL

	The Group	
	2016 \$'mil	2015 \$'mil
<b>Cost:</b>		
At beginning of year	442.6	453.7
Adjustment from acquisition of a subsidiary	–	0.8
Provision for impairment	(1.7)	(1.0)
Exchange differences	(13.4)	(10.9)
At end of year	427.5	442.6

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 15 GOODWILL (cont'd)

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 \$427.5 million (2015 : \$442.6 million) is allocated to the bus business in Australia of \$268.7 million (2015 : \$264.8 million) and the United Kingdom of \$102.6 million (2015 : \$119.3 million); taxi business in Australia of \$26.0 million (2015 : \$26.0 million), China of \$2.9 million (2015 : \$2.9 million), the United Kingdom of \$1.5 million (2015 : \$3.8 million) and Vietnam of \$0.9 million (2015 : \$0.9 million). In Singapore, the carrying amount of goodwill of \$9.4 million (2015 : \$9.4 million) and \$10.5 million (2015 : \$10.5 million) is allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$5.0 million (2015 : \$5.0 million) is allocated to vehicle leasing business in Malaysia of \$1.5 million (2015 : \$1.5 million), inspection and testing business in China of \$3.0 million (2015 : \$3.0 million), and driving centre business in China of \$0.5 million (2015 : \$0.5 million).

## 16 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Deferred tax assets	23.6	25.0	-	-
Deferred tax liabilities	(252.2)	(225.9)	(2.3)	(2.8)
Net	(228.6)	(200.9)	(2.3)	(2.8)
At beginning of year	(200.9)	(182.5)	(2.8)	(2.8)
Charge to Profit or Loss (Note 28)	(20.0)	(15.7)	0.5	-
Overprovision in prior years (Note 28)	1.3	0.7	-	-
Changes in tax rate	-	0.6	-	-
Arising from movement in Other Comprehensive Income Statement	(10.3)	(5.8)	-	-
Exchange differences	1.3	1.8	-	-
At end of year	(228.6)	(200.9)	(2.3)	(2.8)

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 16 DEFERRED TAX ASSETS/LIABILITIES (cont'd)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
<b>Deferred tax assets</b>				
Excess of book over tax depreciation	0.6	0.4	-	-
Provisions	3.1	10.2	-	-
Tax losses	19.9	14.4	-	-
	23.6	25.0	-	-
<b>Deferred tax liabilities</b>				
Accelerated tax depreciation	(292.0)	(257.2)	(1.8)	(1.8)
Other items	39.8	31.3	(0.5)	(1.0)
	(252.2)	(225.9)	(2.3)	(2.8)

## 17 BORROWINGS

	The Group	
	2016 \$'mil	2015 \$'mil
Borrowings comprise of the following:		
(a) Short-term loans	-	87.5
(b) Long-term loans	135.4	200.9
(c) Medium Term Notes	150.0	150.0
(d) Finance lease obligations	59.7	120.2
	345.1	558.6
Analysed as:		
Current	169.3	126.4
Non-current	175.8	432.2
Total	345.1	558.6

### (a) Short-term loans

	The Group	
	2016 \$'mil	2015 \$'mil
Bank loans - unsecured	-	87.5

In 2015, the unsecured bank loans of \$87.5 million were for a tenure ranging from 2 to 6 months and bore floating interest rates ranging from 1.26% to 1.53% per annum.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 17 BORROWINGS (cont'd)

### (b) Long-term loans

	The Group	
	2016 \$'mil	2015 \$'mil
Bank loans - secured	49.1	79.9
Bank loans - unsecured	66.6	101.7
Loan from a non-controlling shareholder of a subsidiary - unsecured	19.7	19.3
<b>Total</b>	<b>135.4</b>	<b>200.9</b>
Less: Amount due for settlement within 12 months (shown as current liabilities):		
Bank loans - secured	(10.7)	(10.5)
Bank loans - unsecured	(0.3)	(1.0)
<b>Total</b>	<b>(11.0)</b>	<b>(11.5)</b>
<b>Amount due for settlement after 12 months</b>	<b>124.4</b>	<b>189.4</b>

	The Group	
	2016 \$'mil	2015 \$'mil
The borrowings are repayable as follows:		
On demand or within one year	11.0	11.5
In the second year	86.5	11.5
In the third year	18.2	119.9
In the fourth year	–	38.7
After five years	19.7	19.3
<b>Total</b>	<b>135.4</b>	<b>200.9</b>

- (i) The \$49.1 million (2015 : \$79.9 million) secured bank loans are secured on buses (see Note 13). The loans bear floating interest at rates ranging from 2.99% to 3.42% (2015 : 3.40% to 6.80%) per annum.
- (ii) The \$50.0 million (2015 : \$51.7 million) unsecured bank loan bears fixed interest at rate of 2.53% (2015 : 2.53% to 6.15%) per annum and the remaining \$16.6 million (2015 : \$50.0 million) bears floating interest at rate of 1.35% (2015 : 1.81%) per annum.
- (iii) The \$19.7 million (2015 : \$19.3 million) unsecured loan from a non-controlling shareholder of a subsidiary bears floating interest at rate of 3.27% (2015 : 3.70%) per annum.
- (iv) The fair values of the Group's long term loans approximate their carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 17 BORROWINGS (cont'd)

### (c) Medium Term Notes

	The Group	
	2016 \$'mil	2015 \$'mil
Medium Term Notes - unsecured	150.0	150.0

The Medium Term Notes are repayable as follows:

Within one year	150.0	–
In the second year	–	150.0
	150.0	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 bear an interest rate of 1.80% per annum payable on a semi-annual basis.

(ii) The fair value of the Group's Medium Term Notes approximate their carrying amount.

### (d) Finance lease obligations

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Amounts payable under finance leases:				
Within one year	12.5	32.9	8.3	27.4
Within the second to fifth year inclusive	57.1	82.9	47.0	69.5
After five years	5.8	26.0	4.4	23.3
	75.4	141.8	59.7	120.2
Less: Future finance charges	(15.7)	(21.6)	NA	NA
Present value of finance lease obligations	59.7	120.2	59.7	120.2
Amount due for settlement within 12 months (shown under current liabilities)			(8.3)	(27.4)
Amount due for settlement after 12 months			51.4	92.8

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 10 to 15 years (2015 : 8 to 15 years). For the year ended 31 December 2016, the effective borrowing rates varies from 6.23% to 8.44% (2015 : 0.92% 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 13).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 18 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Outside parties	232.5	305.2	1.0	1.3
Accruals	433.2	416.2	47.2	48.1
Deposits received - current [Note 22(a)]	62.3	60.6	0.8	0.8
Deferred income from customers	36.6	44.1	–	–
Others	6.8	7.3	0.9	0.2
Total	771.4	833.4	49.9	50.4

The credit period on purchases of goods and services ranges from 7 days to 120 days (2015 : 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.

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	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
USD	13.6	15.4	–	–
Others	1.0	0.8	–	–

## 19 DEFERRED GRANTS

	The Group	
	2016 \$'mil	2015 \$'mil
Deferred grants	297.5	296.5
Analysed as:		
Current	17.9	17.3
Non-current	279.6	279.2
Total	297.5	296.5

The deferred grants relates largely to the net present value of the grant income from the transport regulators in Australia for the acquisition of new buses.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 20 DUE TO SUBSIDIARIES AND ASSOCIATE

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Due to subsidiaries	–	–	407.9	415.9
Due to associate	14.3	10.9	14.3	10.9
Total	14.3	10.9	422.2	426.8

Of the amount of \$407.9 million (2015 : \$415.9 million) due to subsidiaries, \$285.9 million (2015 : \$309.4 million) represent funds under central pooling which bear variable interest at rates ranging from 0.10% to 1.59% (2015 : 0.10% to 1.59%) per annum are unsecured and repayable on demand. The remaining balance of \$122.0 million (2015 : \$106.5 million) is interest-free, unsecured and repayable on demand.

Amounts due to associate of \$14.3 million (2015 : \$10.9 million) represent funds under central pooling which bear variable interest at rates ranging from 0.83% to 1.18% (2015 : 1.16% to 1.55%) per annum are unsecured and repayable on demand.

## 21 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2016 \$'mil	2015 \$'mil
At beginning of year	79.8	84.0
Charges	18.2	20.3
Payments	(24.3)	(24.9)
Exchange differences	(3.5)	0.4
At end of year	70.2	79.8
The balance comprises provision for:		
Insurance premiums	6.6	8.7
Accident claims	63.6	71.1
	70.2	79.8

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 premium and accidents claim involving the Group's vehicles (Note 3).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 22 OTHER LIABILITIES

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Other liabilities comprised:				
(a) Deposits received	69.8	84.2	–	–
(b) Provision for service benefits and long service awards	15.2	14.3	0.1	0.1
(c) Retirement benefits obligations	5.7	11.0	–	–
	90.7	109.5	0.1	0.1

### (a) Deposits received

	The Group	
	2016 \$'mil	2015 \$'mil
Deposits received from taxi hirers	132.1	144.8
Less: Due within 12 months (Note 18)	(62.3)	(60.6)
Due after 12 months	69.8	84.2

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 period 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	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
At beginning of year	14.3	15.7	0.1	0.1
Charges (Reversal)	1.7	(0.4)	–	–
Payments	(0.8)	(0.8)	–	–
Exchange differences	–	(0.2)	–	–
At end of year	15.2	14.3	0.1	0.1



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 22 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	
	2016 \$'mil	2015 \$'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	147.8	142.7
Fair value of plan assets at end of year	(142.1)	(131.7)
Net liability recognised at end of year	5.7	11.0

## 23 SHARE CAPITAL

	The Group and The Company			
	2016 Number of ordinary shares (million)	2015 Number of ordinary shares (million)	2016 \$'mil	2015 \$'mil
Issued and paid-up:				
At beginning of year	2,150.3	2,139.4	665.5	646.4
Exercise of share options	6.6	10.9	11.4	19.1
At end of year	2,156.9	2,150.3	676.9	665.5

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 26(e).

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 24 OTHER RESERVES

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Statutory reserve:				
At beginning of year	27.3	24.7	–	–
Transfer from accumulated profits	2.6	2.6	–	–
At end of year	29.9	27.3	–	–
Retirement benefit reserve:				
At beginning of year	(40.9)	(44.2)	–	–
Actuarial adjustment on defined benefit plans	0.9	3.3	–	–
Transfer from accumulated profits	1.0	–	–	–
At end of year	(39.0)	(40.9)	–	–
Investment revaluation reserve:				
At beginning of year	(48.7)	(28.7)	(55.1)	(38.2)
Fair value gain (loss) on investments	10.4	(20.0)	8.8	(16.9)
At end of year	(38.3)	(48.7)	(46.3)	(55.1)
Hedging reserve:				
At beginning of year	(52.9)	(81.7)	–	–
Fair value gain on cash flow hedges	43.1	28.8	–	–
At end of year	(9.8)	(52.9)	–	–
Others:				
At beginning of year	19.6	21.1	2.7	4.3
Exercise of share options	(1.1)	(1.6)	(1.1)	(1.6)
Revaluation of premises*	30.1	–	–	–
Transfer from accumulated profits	–	0.1	–	–
Others	0.6	–	–	–
At end of year	49.2	19.6	1.6	2.7
Net	23.4	(64.2)	(13.3)	(21.0)

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 \$38.7 million (2015 : \$49.2 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.

\* This arose due to the revaluation of a leasehold land and building of a subsidiary (Note 13).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 25 REVENUE

	The Group	
	2016 \$'mil	2015 \$'mil
Rendering of services	4,059.5	4,111.5

The revenue includes a grant of \$104.4 million (2015 : \$130.8 million) received from local transport regulators.

## 26 STAFF COSTS

### (a) Directors' remuneration (included in staff costs)

The remuneration of the Managing Director/Group Chief Executive Officer is determined by the Remuneration Committee having regard to the performance of the individual and the Group, as follows:

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
<b>2016</b>				
\$1,750,000 to \$1,999,999				
Kua Hong Pak	55.4	43.5	1.1	100
<b>2015</b>				
\$1,750,000 to \$1,999,999				
Kua Hong Pak	55.4	43.5	1.1	100

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

	The Group 2016 \$
Lim Jit Poh	499,373*
Ong Ah Heng	93,500
Oo Soon Hee	93,500
Sum Wai Fun, Adeline	94,667
Tow Heng Tan	87,334
Wang Kai Yuen	94,666
Wong Chin Huat, David	153,850**

\* Including Directors' fees from SBS Transit Ltd and VICOM Ltd, listed subsidiaries of the Group and other subsidiaries.

\*\* Including Directors' fee from SBS Transit Ltd, listed subsidiary of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 26 STAFF COSTS (cont'd)

### (b) Key executives' remuneration (included in staff costs)

The remuneration of the key executives are determined by the Remuneration Committee having regard to the performance of the individuals and the Group, as follows:

Remuneration band	The Group			Total compensation %
	Salary %	Bonus %	Others %	
<b>2016</b>				
\$1,000,000 to \$1,249,999				
No. of executives: 3	46.6	49.2	4.2	100
\$750,000 to \$999,999				
No. of executives: 3	47.8	49.1	3.1	100
\$500,000 to \$749,999				
No. of executives: 3	49.6	44.0	6.4	100
\$250,000 to \$499,999				
No. of executives: 11	53.7	38.6	7.7	100
<b>2015</b>				
\$1,000,000 to \$1,249,999				
No. of executives: 4	47.8	48.7	3.5	100
\$750,000 to \$999,999				
No. of executives: 1	48.7	48.0	3.3	100
\$500,000 to \$749,999				
No. of executives: 2	48.3	48.3	3.4	100
\$250,000 to \$499,999				
No. of executives: 13	53.5	39.6	6.9	100

The Code of Corporate Governance 2012 recommends the disclosure of the remuneration of Directors and the Group's top five key executives. The Board had considered this matter carefully and has decided against such disclosure except for non-executive Directors. Given the wage disparities and keen competition in the industry and the likely competitive pressures resulting from such disclosures, it is felt that the disadvantages of disclosure outweigh the benefits.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 26 STAFF COSTS (cont'd)

- (c) The remuneration of the Directors and key executives comprises mainly of short-term benefits amounting to \$14.6 million (2015 : \$13.9 million).

	The Group	
	2016 \$'mil	2015 \$'mil
(d) Cost of defined contribution plan (included in staff costs)	143.0	140.4

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.

- (e) **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.

Details of the share options outstanding during the year are as follows:

- (i) **The Company**

	2016		2015	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	19,627,000	1.53	30,514,100	1.56
Cancelled/Lapsed during the year	–	–	(30,000)	1.68
Exercised during the year	(6,587,000)	1.57	(10,857,100)	1.62
Outstanding at the end of the year	13,040,000	1.51	19,627,000	1.53
Exercisable at the end of the year	13,040,000	1.51	19,627,000	1.53

The weighted average share price at the date of share options being exercised during the year was \$2.88 (2015 : \$2.98). The options outstanding at the end of the year have an average remaining contractual life of 3.7 years (2015 : 4.1 years).

# NOTES TO THE FINANCIAL STATEMENTS

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## 26 STAFF COSTS (cont'd)

- (e) Share-based payments (included in staff costs) (cont'd)  
 (ii) SBS Transit Ltd

	2016		2015	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	4,570,000	2.39	5,418,750	2.35
Cancelled/Lapsed during the year	(395,000)	2.48	(728,750)	2.23
Exercised during the year	(1,090,000)	2.05	(120,000)	1.58
Outstanding at the end of the year	3,085,000	2.49	4,570,000	2.39
Exercisable at the end of the year	3,085,000	2.49	4,570,000	2.39

The weighted average share price at the date of share options being exercised during the year was \$2.40 (2015 : \$1.80). The options outstanding at the end of the year have a weighted average remaining contractual life of 1.4 years (2015 : 2.1 years).

- (iii) VICOM Ltd

	2016		2015	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	20,000	2.68	20,000	2.68
Exercised during the year	(20,000)	2.68	–	–
Outstanding at the end of the year	–	–	20,000	2.68
Exercisable at the end of the year	–	–	20,000	2.68

The weighted average share price at the date of share options being exercised during the year was \$5.99 (2015 : \$Nil). There are no outstanding options at the end of the year.

## 27 FINANCE COSTS

	The Group	
	2016 \$'mil	2015 \$'mil
Interest expense on:		
Loans and Medium Term Notes	9.2	12.0
Finance leases	5.2	6.4
Total	14.4	18.4

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 28 TAXATION

	The Group	
	2016	2015
	\$'mil	\$'mil
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	70.4	73.6
Deferred taxation relating to the origination and reversal of temporary differences (Note 16)	20.0	15.7
	90.4	89.3
Effect of change in tax rate	–	(0.6)
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(0.9)	0.4
Deferred taxation (Note 16)	(1.3)	(0.7)
	88.2	88.4

Domestic income tax is calculated at 17% (2015 : 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	
	2016	2015
	\$'mil	\$'mil
Profit before Taxation	466.6	452.2
Income tax expense calculated at 17% (2015 : 17%)	79.3	76.9
Effect of items that are not taxable in determining taxable profit	(1.9)	(0.9)
Effect of change in tax rate	–	(0.6)
Effect of different tax rates of subsidiaries operating in other jurisdictions	12.8	13.7
Tax rebates	(0.1)	(0.1)
Tax effect of share of results of associate	(0.9)	(1.0)
Overprovision in prior years	(2.2)	(0.3)
Other items	1.2	0.7
	88.2	88.4

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$4.5 million (2015 : \$6.7 million) and the resultant deferred tax benefits of \$1.1 million (2015 : \$1.7 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 2016

## 29 PROFIT AFTER TAXATION

Profit after taxation is arrived at after charging (crediting):

	The Group	
	2016 \$'mil	2015 \$'mil
Amortisation of taxi and other licences	1.5	4.7
Depreciation expense	394.5	384.6
Provision for impairment on vehicles (included in other operating costs)	2.5	0.1
Provision for impairment on goodwill (included in other operating costs)	1.7	1.0
Net gain on disposal of vehicles	(2.3)	(6.2)
Directors' fees	1.1	1.1
Audit fees:		
Auditors of the Company	0.5	0.5
Auditors of subsidiaries	0.7	0.7
Non-audit fees:		
Auditors of the Company	0.2	0.2
Auditors of subsidiaries	0.1	0.1

## 30 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:

	2016	2015
Net profit attributable to shareholders of the Company (\$'mil)	317.1	301.9
Weighted average number of ordinary shares in issue (million)	2,154.6	2,145.6
Basic earnings per share (in cents)	14.72	14.07

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.

	2016	2015
Net profit attributable to shareholders of the Company (\$'mil)	317.1	301.9
Weighted average number of ordinary shares in issue (million)	2,154.6	2,145.6
Adjustments for share options (million)	6.0	9.5
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,160.6	2,155.1
Diluted earnings per share (in cents)	14.68	14.01



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 31 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) Bus station : Income is generated mainly through commission income from fare collection.
- (d) 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.
- (e) 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.
- (f) Car rental and leasing : Income is generated through renting and leasing of cars.
- (g) Driving centre : Income is generated through operating driving schools.

Segment revenue and expense: Segment revenue and expense are the operating revenue and expense reported in the Group's Income Statement that are directly attributable to a segment and the relevant portion of such revenue and expense 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 2016

## 31 SEGMENT INFORMATION (cont'd)

### (i) Business Segments

	Public transport services \$'mil	Taxi \$'mil	Bus station \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
<b>Financial Year 2016</b>									
<b>REVENUE</b>									
External sales	2,307.3	1,340.8	26.9	204.8	103.7	36.3	39.7	–	4,059.5
Inter-segment sales	1.8	–	–	125.7	3.4	0.1	0.3	(131.3)	–
<b>TOTAL</b>	<b>2,309.1</b>	<b>1,340.8</b>	<b>26.9</b>	<b>330.5</b>	<b>107.1</b>	<b>36.4</b>	<b>40.0</b>	<b>(131.3)</b>	<b>4,059.5</b>
<b>RESULT</b>									
Operating Profit	178.3	167.5	12.2	50.7	34.8	8.1	10.6	–	462.2
Net Income from Investments									13.9
Finance Costs									(14.4)
Share of Profit in Associate									4.9
Profit before Taxation									466.6
Taxation									(88.2)
Profit after Taxation									378.4
Non-Controlling Interests									(61.3)
Profit Attributable to Shareholders of the Company									317.1
<b>OTHER INFORMATION</b>									
Additions to vehicles, premises and equipment	113.7	326.5	0.4	0.5	4.2	20.0	1.2	–	466.5
Additions to taxi licences	–	0.5	–	–	–	–	–	–	0.5
Depreciation expense	152.6	216.1	1.9	2.2	6.7	12.8	2.2	–	394.5
Amortisation expense	–	1.5	–	–	–	–	–	–	1.5
Provision for impairment loss recognised in Income Statement	–	4.2	–	–	–	–	–	–	4.2
<b>STATEMENT OF FINANCIAL POSITION</b>									
<b>ASSETS</b>									
Segment assets	2,240.3	1,330.7	18.9	56.0	63.6	84.7	23.3	–	3,817.5
Goodwill	380.6	31.4	–	–	13.5	1.5	0.5	–	427.5
Associates									11.2
Cash, fixed deposits, equities and bonds									842.2
Deferred tax assets									23.6
<b>Consolidated total assets</b>									<b>5,122.0</b>
<b>LIABILITIES</b>									
Segment liabilities	839.2	318.0	27.4	51.5	21.3	11.5	15.2	–	1,284.1
Borrowings									345.1
Income tax payable									48.5
Deferred tax liabilities									252.2
<b>Consolidated total liabilities</b>									<b>1,929.9</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 31 SEGMENT INFORMATION (cont'd)

### (i) Business Segments (cont'd)

	Public transport services \$'mil	Taxi \$'mil	Bus station \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Car rental and leasing \$'mil	Driving centre \$'mil	Elimination \$'mil	Total \$'mil
<b>Financial Year 2015</b>									
<b>REVENUE</b>									
External sales	2,332.5	1,326.8	29.0	238.5	107.5	38.3	38.9	–	4,111.5
Inter-segment sales	2.0	–	–	132.6	3.4	0.1	0.3	(138.4)	–
<b>TOTAL</b>	<b>2,334.5</b>	<b>1,326.8</b>	<b>29.0</b>	<b>371.1</b>	<b>110.9</b>	<b>38.4</b>	<b>39.2</b>	<b>(138.4)</b>	<b>4,111.5</b>
<b>RESULT</b>									
Operating Profit	177.7	163.9	12.5	41.2	37.7	9.2	8.5	–	450.7
Net Income from Investments									15.0
Finance Costs									(18.4)
Share of Profit in Associate									4.9
Profit before Taxation									452.2
Taxation									(88.4)
Profit after Taxation									363.8
Non-Controlling Interests									(61.9)
Profit Attributable to Shareholders of the Company									301.9
<b>OTHER INFORMATION</b>									
Additions to vehicles, premises and equipment	292.3	339.3	0.7	1.6	3.8	24.6	7.3	–	669.6
Additions to taxi licences	–	1.5	–	–	–	–	–	–	1.5
Depreciation expense	158.4	200.8	2.0	2.3	6.4	12.3	2.4	–	384.6
Amortisation expense	–	4.7	–	–	–	–	–	–	4.7
Provision for impairment loss recognised in Income Statement	–	1.1	–	–	–	–	–	–	1.1
<b>STATEMENT OF FINANCIAL POSITION</b>									
<b>ASSETS</b>									
Segment assets	2,334.6	1,291.7	21.6	66.5	66.4	84.5	33.8	–	3,899.1
Goodwill	393.5	33.6	–	–	13.5	1.5	0.5	–	442.6
Associates									10.2
Cash, fixed deposits, equities and bonds									839.4
Deferred tax assets									25.0
<b>Consolidated total assets</b>									<b>5,216.3</b>
<b>LIABILITIES</b>									
Segment liabilities	884.3	317.7	26.4	93.5	21.3	12.7	14.2	–	1,370.1
Borrowings									558.6
Income tax payable									49.1
Deferred tax liabilities									225.9
<b>Consolidated total liabilities</b>									<b>2,203.7</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 31 SEGMENT INFORMATION (cont'd)

### (ii) Geographical Segments

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

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

## 32 COMMITMENTS

As at 31 December 2016, the Group has the following commitments:

Capital commitments contracted for but not provided for in the Financial Statements:

	The Group	
	2016 \$'mil	2015 \$'mil
Purchase of equipment	24.5	19.4
Purchase of buses, taxis and motor vehicles	135.3	294.3
Purchase of computer systems	9.6	10.3
Development of bus depots and properties	23.8	10.3
	<b>193.2</b>	<b>334.3</b>

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 33 OPERATING LEASE ARRANGEMENTS

### *The Group as lessee*

	The Group	
	2016 \$'mil	2015 \$'mil
Minimum lease payment under operating leases recognised as expense in the year	44.5	50.8

At the end of the reporting period, commitments in respect of non-cancellable operating leases for the rental of premises and vehicles were as follows:

	The Group		The Company	
	2016 \$'mil	2015 \$'mil	2016 \$'mil	2015 \$'mil
Within one year	36.6	34.6	3.3	3.2
In the second to fifth year inclusive	72.4	69.4	6.1	9.0
After five years	50.4	60.4	–	–
Total	159.4	164.4	9.4	12.2

Leases are negotiated for average terms ranging from 1 year to 43 years and rental is fixed ranging from 1 year to 27 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 \$207.5 million (2015 : \$238.4 million).

At the end of the reporting period, the Group has contracted with counter-parties for the following future minimum lease payments:

	The Group	
	2016 \$'mil	2015 \$'mil
Within one year	185.4	192.8
In the second to fifth year inclusive	354.6	348.9
After five years	19.5	20.3
Total	559.5	562.0

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 34 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

### (a) 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 the exposure to changes in foreign exchange rates is minimal and hence the resulting impact on profit or other comprehensive income of the Group is insignificant.

### (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 period, 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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 34 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

### (a) Financial risk management policies and objectives (cont'd)

#### (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 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 period, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting period as a basis will impact the Group's annual fuel and electricity costs by \$1.4 million (2015: \$0.8 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2016.

#### (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.

### (b) Hedging instruments

	2016		2015	
	Assets \$'mil	Liabilities \$'mil	Assets \$'mil	Liabilities \$'mil
<b>The Group</b>				
At fair values:				
Foreign exchange hedges	0.4	–	5.1	0.3
Fuel hedges	–	12.5	–	74.3
	0.4	12.5	5.1	74.6
Analysed as:				
Current	0.4	12.5	5.1	74.6

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 34 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

### (b) Hedging instruments (cont'd)

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 period, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting period, the Group has outstanding fuel and foreign exchange hedges with notional amounts totalling \$59.1 million (2015 : \$164.6 million).

As at 31 December 2016, the fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting period, comprised \$0.4 million of assets (2015 : \$5.1 million of assets) and \$12.5 million of liabilities (2015 : \$74.6 million of liabilities).

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. As at 31 December 2016, the fair value of the Group's foreign exchange hedging instruments comprising \$0.4 million of assets (2015 : \$5.1 million of assets) was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income. As at 31 December 2016, the fair value of the Group's foreign exchange hedging instruments comprising \$Nil of liabilities (2015 : \$0.3 million of liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

The Group uses fuel hedges to hedge against fuel price risks. These arrangements are designed to address fuel price exposure. The fuel hedges are accounted for as cash flow hedges. As at 31 December 2016, the fair value of the Group's fuel hedging instruments comprising \$12.5 million of liabilities (2015 : \$74.3 million of liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

### (c) Capital risk 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.

The Group's capital management objectives are to safeguard its ability to continue as a going concern and to maximise shareholders value. 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 17(a) and 17(b), Medium Term Notes under Note 17(c) and finance lease payable under Note 17(d) while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 34 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(d) 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>2016</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>	
<b>2015</b>						
<b>Financial liabilities</b>						
<b>Loans:</b>						
In functional currencies	438.4	459.7	107.1	332.5	20.1	1.3% to 6.8%
<b>Finance leases:</b>						
In functional currencies	120.2	141.8	32.9	82.9	26.0	0.9% to 8.4%
<b>Total</b>	<b>558.6</b>	<b>601.5</b>	<b>140.0</b>	<b>415.4</b>	<b>46.1</b>	

## 35 DIVIDENDS

(a) During the financial year, the Company paid dividends as follows:

	2016 \$'mil	2015 \$'mil
Tax-exempt one-tier final dividend in respect of the previous financial year:		
- 5.00 cents (2015 : 4.50 cents) per ordinary share	107.8	96.6
Tax-exempt one-tier interim dividend in respect of the current financial year:		
- 4.25 cents (2015 : 4.00 cents) per ordinary share	91.6	85.9
<b>Total</b>	<b>199.4</b>	<b>182.5</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 6.05 cents per ordinary share totalling \$130.5 million be paid for the financial year ended 31 December 2016. 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 4.25 cents per ordinary share (2015 : 4.00 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2016 will be 10.30 cents per ordinary share (2015 : 9.00 cents per ordinary share).

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 36 LICENCE CONDITION FOR RAIL SERVICES

### North-East Line MRT System, Punggol LRT System and Sengkang LRT System

A licence condition ("LC") 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 MRT System, Punggol LRT System and the Sengkang LRT System (collectively referred to as the "Licensed Systems").

The LC sets out the conditions governing the operation of the Licensed Systems and includes, among others, the following:

- (a) The licence is for an initial period of 30 years commencing 15 January 2003. SBST may apply to LTA to renew the licence for a further 30 years or any other period and upon terms and conditions as LTA may impose.
- (b) The licence fee payable to LTA is prescribed under the subsidiary legislation of the Rapid Transit Systems ("RTS") Act during the Licence Term.
- (c) SBST and LTA shall jointly review the viability on the 5th anniversary of the date of the LC or such other period as may be agreed in writing between SBST and LTA. In this review, LTA shall determine the dates and time of SBST's purchase of the operating assets of the Licensed Systems and the amount is based on the net book value as recorded in the latest audited accounts of LTA. As at the date of this report, SBST and LTA have not commenced the review.
- (d) SBST may apply in writing to LTA for a grant to replace any eligible operating assets computed based on the difference between the purchase cost of the new assets and the purchase cost of the operating assets to be replaced.

The main categories of eligible operating assets are trains, maintenance vehicles, power supply equipment, supervisory control system, escalators and lifts, platform screen doors, environmental control system, tunnel ventilation system, electrical service and fire protection system, signalling system, communication system, automatic fare collection system, depot workshop equipment, access management system and maintenance management system.

### Downtown Line MRT System

A LC dated 19 December 2013 was issued by LTA to the subsidiary of SBST under which the subsidiary of SBST is licensed to operate the Downtown Line MRT System.

The LC 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 legislation of the RTS 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

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## 37 NEGOTIATED 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 is effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016.

SBST will operate a total of 8 bus packages. The names of the packages and their respective contract periods in years are: Bukit Merah (2 years), Sengkang-Hougang (5 years), Tampines (8 years), Bishan-Toa Payoh (10 years), Serangoon-Eunos (9 years), Clementi (9 years), Bedok (7 years) and Jurong West (8 years). The contract period of the 8 bus packages averages about 7 years.

The 8 bus packages cover a total of 196 bus services, 5 bus depots, 3 bus parks, 13 bus interchanges and 14 bus terminals. The fleet size required to operate the 8 packages is around 2,900 buses. SBST will lease its existing fleet of close to 2,900 buses to LTA. In consideration of SBST using its existing fleet for the provision of the bus services, LTA will pay a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA will also pay 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.

Under the BCM, the LTA will retain all fare revenue collected from the provision of the bus services. Revenue for provision of bus services will comprise service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, SBST will retain 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.

# NOTES TO THE FINANCIAL STATEMENTS

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## 38 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	
			2016 %	2015 %
<b>Quoted equity shares</b>				
SBS Transit Ltd <sup>(16)</sup>	Provision of public bus and rail services	Singapore	74.82	75.08
VICOM Ltd <sup>(16)</sup>	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.07
<b>Unquoted equity shares</b>				
Braddell Limited <sup>(3)</sup>	Investment holding	United Kingdom	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	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
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
SBS (Guangzhou) Pte Ltd	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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## 38 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	
			2016 %	2015 %
<b>Unquoted equity shares (cont'd)</b>				
CityFleet Networks Limited <sup>(3)</sup>	Provision and management of taxi booking services	United Kingdom	55.72	55.72
Swan Taxis Pty Ltd <sup>(3)</sup>	Provision of taxi services	Australia	100	100
ComfortDelGro Cabcharge Pty Ltd <sup>(3)</sup>	Investment holding and provision of management services	Australia	55.72	55.72
<b>Subsidiary of SBS Transit Ltd:</b>				
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	74.82	75.08
<b>Subsidiaries of VICOM Ltd:</b>				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.31	52.32
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.06	67.07
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.06	67.07
<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	67.07
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.06	67.07
SETS Services DMCC <sup>(17)</sup>	Building inspection services	United Arab Emirates	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

# NOTES TO THE FINANCIAL STATEMENTS

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## 38 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	
			2016 %	2015 %
<b>Subsidiaries of Braddell Limited:</b>				
ComfortDelGro Irish Citylink Limited <sup>(3)</sup>	Provision of coach services	Ireland	100	100
Metroline Limited <sup>(3)</sup>	Investment holding	United Kingdom	100	100
Metroline Rail Limited	Inactive	United Kingdom	100	100
Scottish Citylink Coaches Limited <sup>(3)</sup>	Provision of long distance coach services	United Kingdom	65	65
<b>Subsidiaries of Metroline Limited:</b>				
Metroline Travel Limited <sup>(3)</sup>	Provision of public bus services	United Kingdom	100	100
Metroline West Limited <sup>(3)</sup>	Provision of public bus services	United Kingdom	100	100
<b>Subsidiary of Scottish Citylink Coaches Limited:</b>				
Megacity Limited <sup>(3)</sup>	Inactive	United Kingdom	65	65
<b>Subsidiary of CityCab Pte Ltd:</b>				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	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
<b>Subsidiaries of CityFleet Networks Limited:</b>				
Computer Cab (Edinburgh) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab plc <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Computer Cab (Aberdeen) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Flightlink International Limited <sup>(3)</sup>	Provision of private hire services	United Kingdom	55.72	55.72
Computer Cab (Birmingham) Limited <sup>(18)</sup>	Inactive	United Kingdom	55.72	55.72
Central Dispatch Limited <sup>(3)</sup>	Provision and management of taxi booking services	United Kingdom	55.72	55.72

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 38 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	
			2016 %	2015 %
<b>Subsidiaries of CityFleet Networks Limited (cont'd):</b>				
Computer Cab (Liverpool) Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
Westbus Coach Services Limited <sup>(3)</sup>	Provision of coach services	United Kingdom	55.72	55.72
<b>Subsidiary of Computer Cab (Edinburgh) Limited:</b>				
Onward Travel Limited <sup>(3)</sup>	Provision of taxi services	United Kingdom	55.72	55.72
<b>Subsidiary of Computer Cab plc:</b>				
Cabcharge Limited <sup>(3)</sup>	Provision and management of taxi booking card facilities	United Kingdom	55.72	55.72
<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
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd <sup>(5)</sup>	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd <sup>(8)</sup>	Operation of a driving school	China	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
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd <sup>(6)</sup>	Provision of motor vehicle evaluation and other related services	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd <sup>(9)</sup>	Operation of a driving school	China	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
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd <sup>(8)</sup>	Provision of cars for hire	China	100	100

# NOTES TO THE FINANCIAL STATEMENTS

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## 38 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	
			2016 %	2015 %
<b>Subsidiaries of ComfortDelGro (China) Pte Ltd (cont'd):</b>				
Guangzhou Xin Tian Wei Transportation Development Co., Ltd <sup>(10)</sup>	Provision of bus station services	China	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
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
Nanning Comfort Transportation Co., Ltd <sup>(12)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	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
Shenyang ComfortDelGro Taxi Co., Ltd <sup>(4)</sup>	Provision of public taxi services through the rental of taxis to hirers	China	80	80
<b>Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:</b>				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd <sup>(8)</sup>	Inactive	China	100	100
<b>Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:</b>				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd <sup>(9)</sup>	Inactive	China	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
Pantas Rent-A-Car Holdings Sdn Bhd <sup>(18)</sup>	Inactive	Malaysia	100	100
Vietnam Taxi Co., Ltd <sup>(3)</sup>	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company <sup>(3)</sup>	Provision of taxi services	Vietnam	60	60



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 38 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	
			2016 %	2015 %
<b>Subsidiaries of ComfortDelGro Cabcharge Pty Ltd:</b>				
Westbus Region 1 Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Westbus Region 3 Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Hillsbus Co Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Hunter Valley Buses Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
Charterplus Pty Ltd <sup>(3)</sup>	Provision of charter, coach and terminal services	Australia	55.72	55.72
CDC Victoria Pty Ltd <sup>(3)</sup>	Investment holding	Australia	55.72	55.72
Baypalm Pty Limited <sup>(3)</sup>	Investment holding	Australia	55.72	55.72
Blue Mountains Transit Pty Ltd <sup>(3)</sup>	Provision of public bus and charter services	Australia	55.72	55.72
Western Sydney Repair Centre Pty Ltd <sup>(3)</sup>	Provision of accident and other repair and maintenance services	Australia	28.42	28.42
<b>Subsidiaries of CDC Victoria Pty Ltd:</b>				
CDC Sunshine Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Geelong Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Oakleigh Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Werribee Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Altona Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Ballarat Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
CDC Eastrans Pty Ltd <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72
<b>Subsidiary of Baypalm Pty Limited:</b>				
Deanes Bus Lines Pty Limited <sup>(3)</sup>	Provision of public bus services	Australia	55.72	55.72

# NOTES TO THE FINANCIAL STATEMENTS

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## 38 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 Jiangsu 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 Dejian Certified Public Accountants Co., Ltd, China.
- (9) Audited by Chongqing Tian Hua Certified Public Accountants Co., Ltd, China.
- (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.

Other information

- (16) Listed on the Singapore Exchange Securities Trading Limited.
- (17) Incorporated during the financial year.
- (18) In the process of being struck off.

# NOTES TO THE FINANCIAL STATEMENTS

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## 38 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	
			2016 %	2015 %
<b>Unquoted equity shares</b>				
ComfortDeIGro Insurance Brokers Pte Ltd <sup>(1)</sup>	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Phillip Boyle & Associates Pty Ltd <sup>(2)</sup>	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49
Gobbler Pte Ltd <sup>(3)</sup>	Sales of goods bartered from the provision of advertising services	Singapore	40	40

#### Note:

<sup>(1)</sup> Audited by Deloitte & Touche LLP, Singapore.

<sup>(2)</sup> Audited by Complete Audit Pty Ltd, Australia. The associate is insignificant.

<sup>(3)</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.

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 39 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, Group entities entered into the following trading transactions with related parties:

	2016 \$'mil	2015 \$'mil
Expenses	0.6	0.5

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.

## 40 EVENTS AFTER THE REPORTING PERIOD

The Company entered into a Share Sale Agreement with the minority shareholder of a subsidiary, ComfortDelGro Cabcharge Pty Ltd ("CDCC"), to acquire the remaining equity interests in CDCC held by the minority shareholder for a consideration of AUD186.0 million (SGD201.1 million). The acquisition was subject to the approval of the Australian Foreign Investment Review Board ("AFIRB"). Subsequent to the financial year ended 31 December 2016, the AFIRB granted its approval for the acquisition. Following the completion of the acquisition, CDCC will become a wholly owned subsidiary of the Company and will change its name to ComfortDelGro Corporation Australia Pty Ltd.

## 41 IFRS CONVERGENCE IN 2018

Singapore-incorporated companies listed on the Singapore Exchange (SGX) will be required to apply a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after 1 January 2018. The Group will be adopting the new framework for the first time for financial year ending 31 December 2018, with retrospective application to the comparative financial year ending 31 December 2017 and the opening Statement of Financial Position as at 1 January 2017 (date of transition). Management is currently performing a detailed analysis of the transition options and other requirements of IFRS 1, including financial effects on transition to the new framework.

# NOTES TO THE FINANCIAL STATEMENTS

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## 42 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE</b>					
ComfortDelGro Corporation Limited	–	Braddell Road	66,445 sq m	30 years 2 years 10 months unexpired	Head office, bus depot, vehicle workshop
ComfortDelGro Corporation Limited	–	Kim Chuan	10,784 sq m	2 years 1 year unexpired	Vehicle assembly workshop
SBS Transit Ltd	74.82	Soon Lee Road	26,670 sq m	30 years 13 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.82	Defu Ave 1	74,236 sq m	38 years 4 years unexpired	Bus depot
SBS Transit Ltd	74.82	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	74.82	Bukit Batok Street 23	52,187 sq m	43 years 9 years unexpired	Bus depot
SBS Transit Ltd	74.82	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	74.82	Ang Mo Kio Street 63	63,955 sq m	26 years 3 years 2 months unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 24 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 10 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years 8 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 8 years 4 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 26 years 6 months unexpired	Inspection services

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 42 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>SINGAPORE</b>					
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 26 years 6 months unexpired	Inspection services
Setsco Services Pte Ltd	67.06	Teban Gardens Crescent	9,830 sq m	30 years from February 2009 22 years 1 month unexpired	Testing, inspection and consultancy services
JIC Inspection Services Pte Ltd	52.31	Pioneer Road	9,190 sq m	30 years from December 1994 7 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 2 months unexpired, renewed for another 3 years from March 2017	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	11,129 sq m	60 years 18 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	25,090 sq m	30 years 6 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 35 years 4 months unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 8 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 9 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 32 years 2 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	17 years 5 years 9 months unexpired	Workshop, diesel kiosk

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 42 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>CHINA</b>					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 11 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiazang Road Shanghai	689 sq m	50 years 32 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 26 years unexpired	Staff residence
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd	80	Cheng Shou Si Road Jiu Gong Da Xing District Beijing	6,120 sq m	20 years 7 years unexpired	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 17 years unexpired	Vehicle inspection workshop
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 39 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 6 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 46 years unexpired	Office

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 42 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>UNITED KINGDOM</b>					
Computer Cab plc	55.72	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	55.72	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 3 years and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	55.72	Falkland Street Liverpool L3 8HB	610 sq m	99 years 81 years 7 months unexpired	Office, fleet dept
Westbus Coach Services Limited	55.72	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years 1 year 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



# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 42 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA</b>					
Westbus Region 1 Pty Ltd	55.72	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	55.72	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	55.72	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	55.72	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot

# NOTES TO THE FINANCIAL STATEMENTS

31 December 2016

## 42 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA</b>					
Hunter Valley Buses Pty Ltd	55.72	Arnot Street Edgeworth NSW	16,600 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Cabcharge Pty Ltd	55.72	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Cabcharge Pty Ltd	55.72	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot

# NOTES TO THE FINANCIAL STATEMENTS

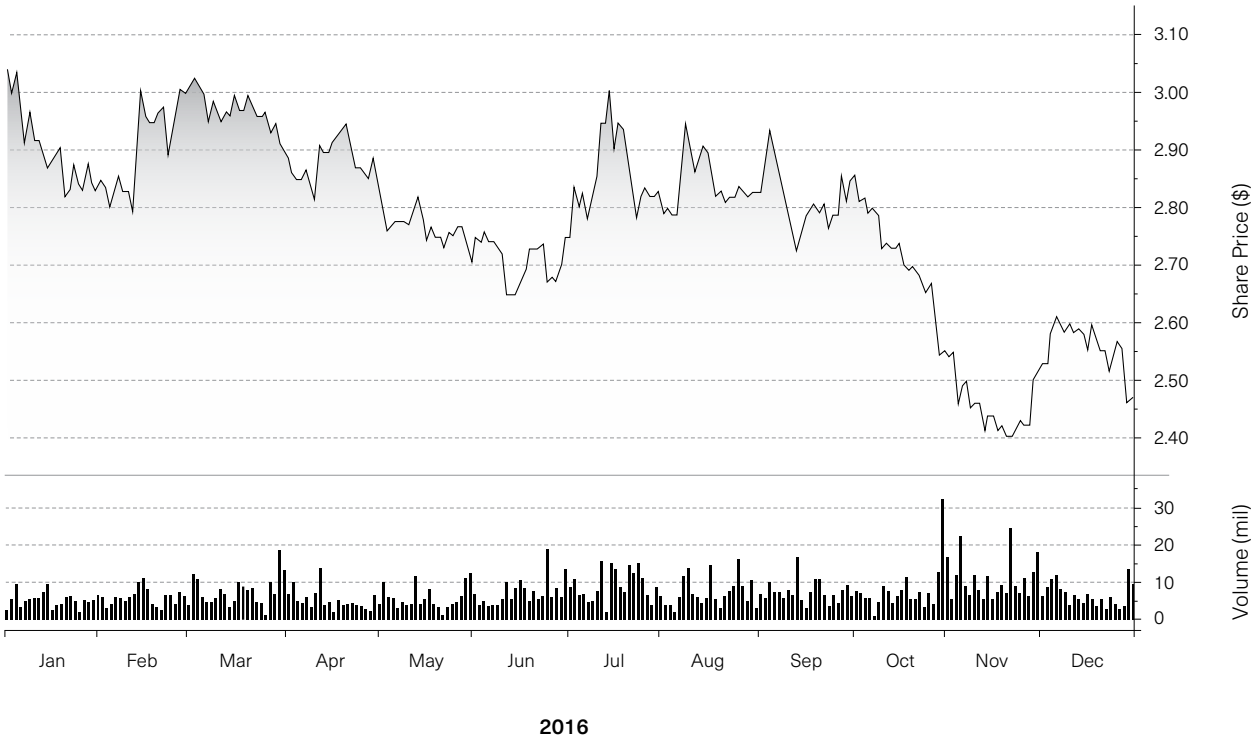
31 December 2016

## 42 GROUP PROPERTIES (cont'd)

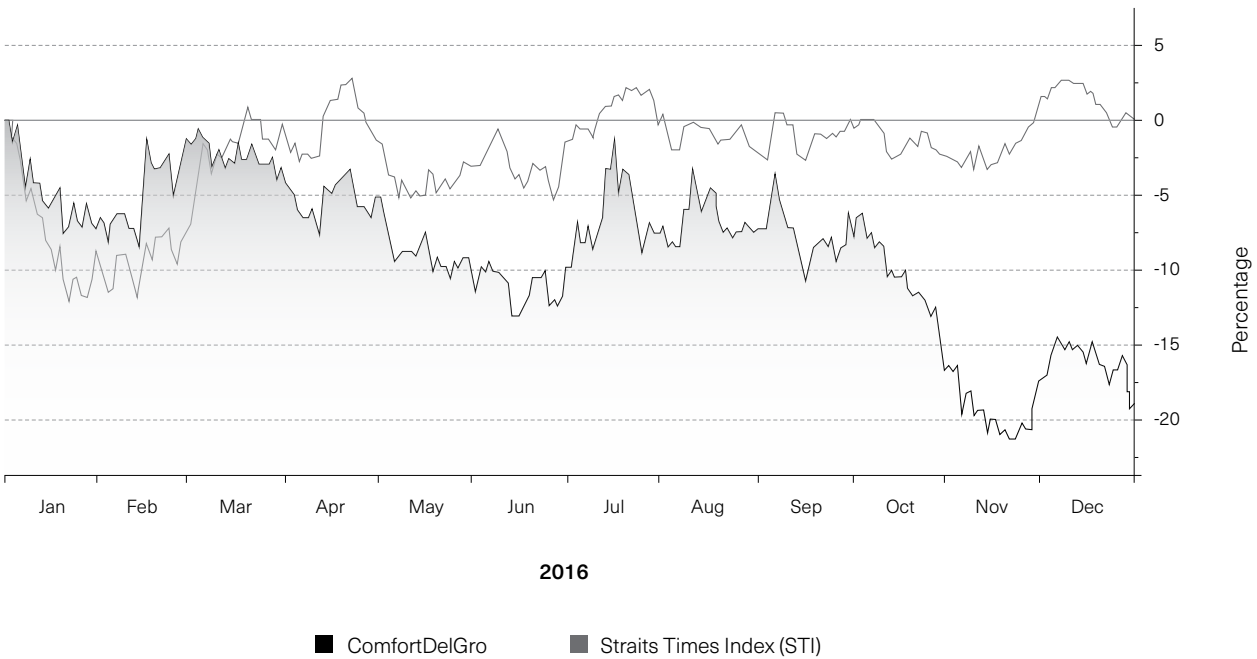
Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
<b>AUSTRALIA</b>					
ComfortDelGro Cabcharge Pty Ltd	55.72	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Bass Street Queanbeyan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Cabcharge Pty Ltd	55.72	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot
ComfortDelGro Cabcharge Pty Ltd	55.72	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot & Offices
CDC Ballarat Pty Ltd	55.72	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
<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 4 years unexpired	Office, workshop
<b>MALAYSIA</b>					
Setsco Services (M) Pte Ltd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 91 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	3 years 1 year 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 the Straits Times Index (STI)



Source: Bloomberg Finance L.P.

# SHAREHOLDING STATISTICS

As at 6 March 2017

No. of shares issued : 2,157,201,663  
 Class of shares : Ordinary shares  
 Voting rights : One vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	836	2.14	30,227	0.00
100 - 1,000	4,227	10.82	2,187,188	0.10
1,001 - 10,000	18,727	47.96	85,859,102	3.98
10,001 - 1,000,000	15,225	38.99	342,234,307	15.87
1,000,001 & above	35	0.09	1,726,890,839	80.05
<b>Total</b>	<b>39,050</b>	<b>100.00</b>	<b>2,157,201,663</b>	<b>100.00</b>

Top Twenty Shareholders	No. of Shares	%
DBS Nominees Pte Ltd	504,750,556	23.40
Citibank Nominees Singapore Pte Ltd	494,783,274	22.94
DBSN Services Pte Ltd	213,033,833	9.88
HSBC (Singapore) Nominees Pte Ltd	174,609,462	8.09
United Overseas Bank Nominees Pte Ltd	128,942,067	5.98
BNP Paribas Securities Services Singapore	57,718,656	2.68
Raffles Nominees (Pte) Ltd	51,671,946	2.40
DB Nominees (S) Pte Ltd	18,399,136	0.85
OCBC Nominees Singapore Pte Ltd	18,179,498	0.84
Changi Bus Company (Private) Limited	9,084,095	0.42
Yim Chee Chong	5,400,000	0.25
DBS Vickers Securities (S) Pte Ltd	4,390,339	0.20
Kua Hong Pak	3,924,530	0.18
Phillip Securities Pte Ltd	3,915,946	0.18
Choo Chek Siew	3,260,000	0.15
Societe Generale Singapore Branch	3,146,864	0.15
Merrill Lynch (Singapore) Pte Ltd	2,898,316	0.13
Chan Kam Fai	2,643,443	0.12
CIMB Securities (Singapore) Pte Ltd	2,630,246	0.12
UOB Kay Hian Pte Ltd	2,568,756	0.12
<b>Total</b>	<b>1,705,950,963</b>	<b>79.08</b>

# SHAREHOLDING STATISTICS

As at 6 March 2017

## Substantial Shareholders (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
BlackRock, Inc.	–	–	129,707,356 <sup>1</sup>	6.01
The PNC Financial Services Group, Inc.	–	–	129,707,356 <sup>1</sup>	6.01

Notes:

<sup>1</sup> BlackRock, Inc. is deemed to have an interest in 129,707,356 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 129,707,356 shares of ComfortDelGro Corporation Limited held by the subsidiaries of BlackRock, Inc.

As at 6 March 2017, approximately 93.37% 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 Fourteenth Annual General Meeting\* of the Company will be held on Wednesday, 26 April 2017 at 10.00 a.m. at:

**HDB HUB AUDITORIUM  
BASEMENT 1  
480 LORONG 6 TOA PAYOH  
SINGAPORE 310480**

The Annual General Meeting 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 2016 together with the Auditors' Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 6.05 cents per ordinary share in respect of the Financial Year ended 31 December 2016. **(Resolution 2)**
3. To approve the payment of Directors' fees of \$729,334 for the Financial Year ended 31 December 2016. (FY2015: \$705,200) **(Resolution 3)**
4. To re-elect Mr Lim Jit Poh, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 4)**
5. To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Article 91 of the Company's Articles of Association. **(Resolution 5)**
6. To note that Mr Tow Heng Tan will be retiring pursuant to Article 91 of the Company's Articles of Association and he will not be seeking re-election at this Annual General Meeting.
7. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 6)**

### 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 6 May 2017 for the purposes of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 6.05 cents per ordinary share for the Financial Year ended 31 December 2016.

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 5 May 2017 will be registered to determine Shareholders' entitlements to the final dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 5 May 2017 will be entitled for the proposed final dividend.

\*LIGHT REFRESHMENTS WILL BE SERVED AFTER THE ANNUAL GENERAL MEETING

# NOTICE OF ANNUAL GENERAL MEETING

The final dividend, if approved by the Shareholders at the Fourteenth Annual General Meeting of the Company, will be paid on 15 May 2017.

By Order of the Board

Chan Wan Tak, Wendy  
Company Secretary  
Singapore  
28 March 2017

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, Cap. 50.

- 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 48 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.



# 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, Cap. 50 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 28 March 2017.

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 Wednesday, 26 April 2017 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.

**NOTE:** The Chairman of the AGM will be exercising his right under Article 61(i) of the Articles of Association of the Company to demand a poll in respect of the Resolutions to be put on the vote of the members at the AGM and at any adjournment thereof. Accordingly, such Resolutions at the AGM will be voted on by way of poll.

No.	Resolutions	No. of Votes For*	No. of Votes Against*
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 Dr Wang Kai Yuen as Director		
6.	Re-appointment of Auditors and authorising Directors to fix their remuneration		

\* 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 \_\_\_\_\_ 2017

<b>Total Number of Shares Held (Note 1)</b>

\_\_\_\_\_  
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, Cap. 50.
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 48 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.*

**PLEASE NOTE THAT THIS YEAR'S  
ANNUAL GENERAL MEETING WILL BE HELD AT:**

**HDB HUB AUDITORIUM  
BASEMENT 1  
480 LORONG 6 TOA PAYOH  
SINGAPORE 310480**

**LIGHT REFRESHMENTS WILL BE SERVED  
AFTER THE ANNUAL GENERAL MEETING**

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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.

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Company Registration No. 200300002K