



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 core 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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Countries

42,512

Vehicles

UNITED KINGDOM

Aberdeen
Cardiff
Glasgow
Liverpool
London
Newport
Swansea

IRELAND

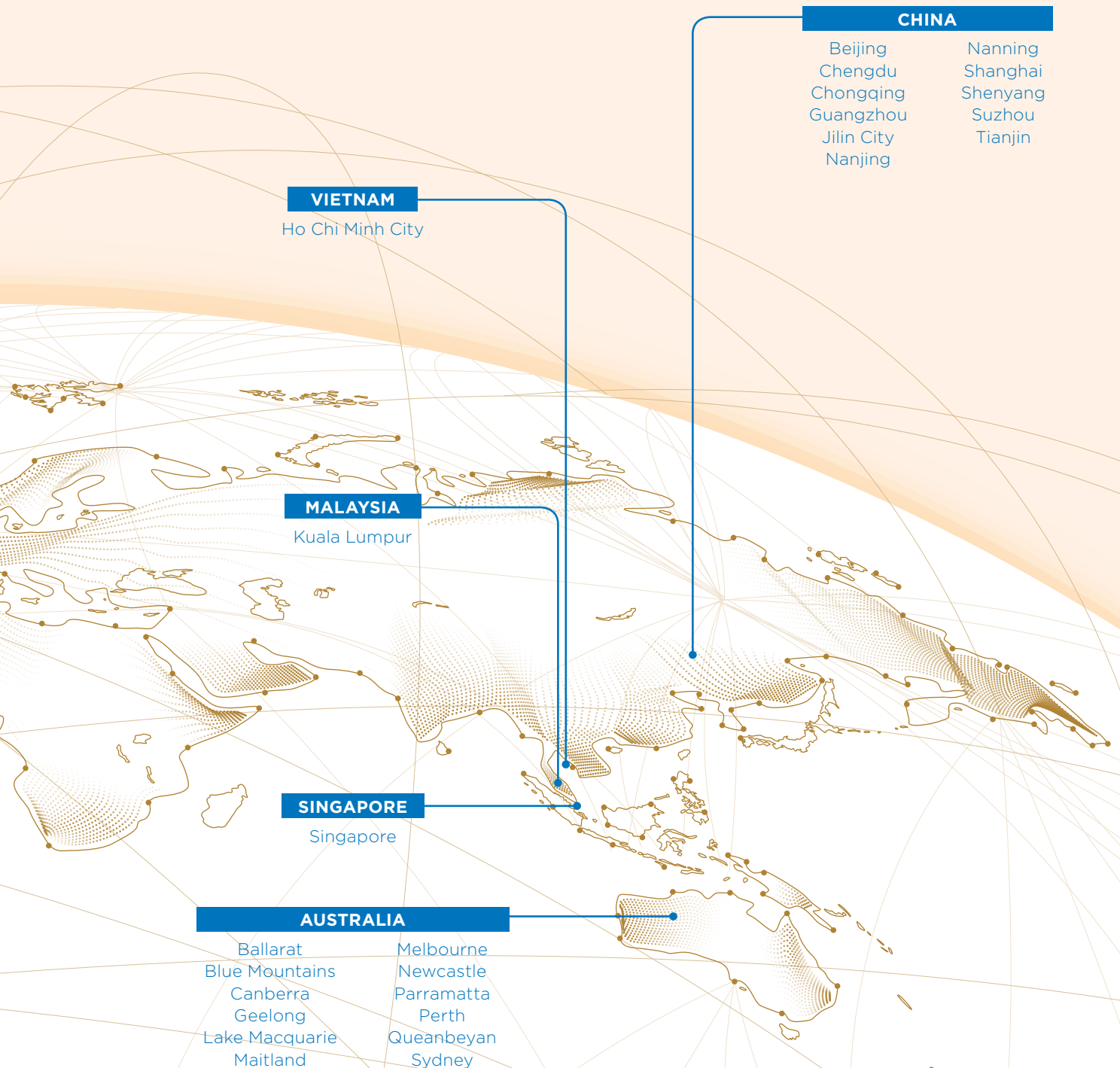
Cork
Dublin
Galway
Limerick

37

Cities

21,918

Employees





REVENUES AT A GLANCE

SINGAPORE
S\$2,483.3M

UNITED KINGDOM
S\$855.2M

AUSTRALIA
S\$423.6M

CHINA
S\$179.2M

IRELAND
S\$20.2M

VIETNAM
S\$6.8M

MALAYSIA
S\$2.6M

INTRODUCTION

2017 was a difficult year on many fronts. The key word to describe the challenges we, as a Group, faced is 'DISRUPTION'. There were many types of disruption ranging from political to business, shareholding to company, Board and Management. But perhaps, the most critical to our land transport business and business model were technology and vehicle manufacturing.

Politically, the installation of President Donald Trump in the United States of America (USA) and the heated rhetoric between him and North Korean Leader Kim Jong Un over the nuclear activities in Peninsula Korea have given rise to geopolitical disruption. Mirroring this in the field of technology advances is how artificial intelligence has hastened the Fourth Industrial Revolution.

Disruption in the way we do our business has also taken place as demands by Institutional Shareholders grow. There is a global movement towards greater emphasis on environment, social responsibility and corporate governance (ESG) issues rather than the earlier concept of just corporate social responsibility. We have embraced this and have issued our third standalone

Sustainability Report which comes with this Annual Report. In terms of board composition, management structure and personnel, demands by the Authorities, Regulators and the investing community have also caused disruption.

Specific to the nature of our land transport business, disruption has come in the form of ride-hailing apps as well as the advent of new vehicle technologies like hybrid, electric and autonomous vehicles.

Despite these disruptive elements, the business community as a whole managed to enjoy another good year in 2017 with global economic recovery well under way. All eyes are on the speed at which technological advancements and artificial intelligence progresses for it will change the way many industries operate — ours in particular.

LAND TRANSPORT

In our land transport sector, electric vehicles or EVs are making headlines following the adoption of the Paris Climate Accord. The EV path is unfolding fast with governments and carmakers making plans to cut down emission standards. Britain had announced its policy to ban petrol and diesel vehicles by 2040 as part of its efforts to reduce pollution and

carbon emissions. China has targeted to have new EV car sales of 10% in 2019 and 12% by 2020 and at least 25% by 2025 in order to cap the carbon emissions by 2030.

Established car manufacturers had announced ambitious plans for the production of EVs and the concurrent phase out of diesel vehicles starting from 2019. EV technology has improved with the battery life span lengthened. Charging infrastructure is also being developed. Costs are getting lower. EVs are also being experimented in Singapore.

Autonomous vehicles or AVs continue to be experimented and tested. The USA has just released its first guidance on the future of this type of vehicles — Vision for Safety 2.0, which focusses on the benefits of driverless technology and calls for the lightest possible regulatory touch in testing the technology.

Meanwhile, disruption continues to prevail in the taxi industry. Ride-hailing apps, backed by their multi-billion-dollar investors, continue to compete aggressively. The December 2017 landmark court decision by the European Court of Justice defining Uber Technologies Inc. as a transport company rather than a digital service provider will hopefully level the playing field in countries where we are operating — including Singapore.

Some form of stability is likely to be achieved in the fast emerging private hire sector in Singapore as the Government lays down some regulations on qualifications of drivers and identification of vehicles being used. Likewise, China and the United Kingdom (UK) also laid down some meaningful and workable guidelines.

With the newly introduced Bus Contracting Model (BCM) in full operation and more mass rapid transit (MRT) lines coming on stream in Singapore, the number of taxis in the market started to decline while the private hire vehicle number showed some signs of stability. Competition for taxi drivers has intensified with attractive financial incentives being offered by the ride-hailing apps. We have lost drivers to these new apps. We expect this fluid situation to continue until the

taxi population reaches a steady state. When that happens, taxis and private hire vehicles will then co-exist side by side. We continue to maintain our share of the taxi market although it is now a slightly smaller pie. Nonetheless, a customer satisfaction survey by the Public Transport Council (PTC) showed that taxis achieved marked improvements last year.

Under the new BCM in Singapore, we won the third and fourth bus contracts out of four tendered. In the rail segment, we lost the Thomson-East Coast Line tender by a hefty margin of 30% to a state-owned enterprise.

In the annual Public Transport Customer Satisfaction Survey released by the PTC in Singapore in February 2018, commuters' satisfaction levels dipped in 2017 to 94.5 percent, from 96.4 percent previously, due mainly to the fall in satisfaction levels with MRT services.

The Land Transport Authority (LTA) in Singapore plans to have cashless in-fare collections by 2020. In rail reliability, the Mean Kilometre Between Failure (MKBF¹) target has been set at a higher level from 300,000 train-km in 2017 to 1 million train-km by 2020. New and lower fares for rail in 2018 were announced by the PTC with incentives for early morning train rides after two successful trials. Hybrid buses will be on the road soon. AVs will also soon be on trial in three selected new towns for the 'first' and 'last' mile transport. Vehicle growth rate was reduced to zero percent in February 2018 compared to the previous rate of 0.25 percent. The next review will be in 2020. Singapore is fast heading towards becoming a car-lite society.

CORPORATE GOVERNANCE

(i) Terms of Reference of Mandated Committees

A thorough review of the terms of reference of our three mandated committees (Audit and Risk Committee, Remuneration Committee and Nominating Committee) was undertaken following the appointment of a new Group Chief Executive Officer in May 2017. The review took reference from the corporate governance guides

published by the Singapore Institute of Directors (SID). One important outcome of the review is to get independent directors to be more involved in talent management and succession planning as this subject is becoming very crucial in the face of future direction and development of the Group.

(ii) Code of Corporate Governance ('Code')

In my last statement, I mentioned that the Monetary Authority of Singapore had announced in February 2017 the formation of a Corporate Governance Council to review the Code. In January 2018, the Council issued a consultation paper outlining its proposals to shift some of the major points from the Code to the Singapore Stock Exchange (SGX) Listing Rules. A new point pertains to the tenure of independent directors. It is now recommended that directors who have been on the board for nine or more years be classified as non-independent. The revised Code is expected to be launched in the second half of 2018.

In the Singapore Governance and Transparency Index 2017, a joint initiative by the Centre for Governance, Institutions and Organisations at the National University of Singapore Business School, SID, and CPA Australia, all our three listed companies continued to move up in the rankings. Out of 606 listed companies studied in 2017, we ranked in the top 6% (2016: top 7%). Our listed subsidiary, VICOM Ltd, is the best with a ranking of 16th. This is followed by ComfortDelGro Corporation Limited and the other listed subsidiary, SBS Transit Ltd, in 25th and 32nd positions respectively. Their respective scores of 95, 89 and 86 far exceed the overall average score of 52.3 which itself is an improvement from the average score of 49.7 in 2016.

(iii) Diversity Action Committee

In the latest report of the Diversity Action Committee (DAC), the percentage of female directorships in listed companies has increased to 10.8%, a rise of 0.9 percentage points. But the People's Action Party's Women's Wing has moved

¹ MKBF refers to the mean km travelled between delays of more than five minutes.

the goalpost further, and set a target of 20% by 2020 and 30% by 2030. DAC also has its targets of 20% by 2020, 25% by 2025 and 30% by 2030. With Ms Lilian Tham Ee Mern's appointment, we now have two female Directors on the Board which translates into a 22% representation – higher than the DAC's target of 20% in 2020. We also have two female directors out of nine Directors in VICOM representing 22% while SBS Transit has two out of 10 or 20%.

I intend to increase the number of female directorships to three per board. Concurrently, I am also toying with the idea of bringing people rich in human capital as this is the element that we should try to have within our boards in view of the importance of this aspect in our future workforce.

In short, our board profile should comprise people in leadership positions at the tripartite levels of government, labour and industry. It should also comprise expertise, know-how, experience and understanding of accounts and finance, legal knowledge, information technology, engineering and human capital. Such will be our policy guidelines in the constitution of our three listed boards.

(iv) Singapore Stock Exchange

The call for quarterly reporting to be abolished has gained ground. It was introduced in 2003 in an attempt to promote transparency and corporate governance. In January 2018, SGX issued a consultation paper on the subject. The intention seems to be a tweak to the present practice with companies having a market capitalisation of at least S\$150 million continuing with the present reporting practice compared to S\$75 million now. There are also suggestions to simplify reporting for the first and third quarters. Our three listed companies will continue to report quarterly results.

In January 2018, the SGX announced that listing of dual-class shares would be introduced, probably in June 2018, after it issued a consultation paper earlier. Another consultation

paper on implementation will be released soon.

Shareholders are demanding that Annual General Meetings (AGM) be spread out instead of clustering around a fixed period so that they can attend more of them. Trading hours have changed with a lunch break re-introduced between 12 noon and 1pm after its stoppage for six years in 2011. Guidelines on the handling of confidential information and dealings in securities were released jointly by SGX together with The Association of Banks in Singapore, the Institute of Singapore Chartered Accountants, the Law Society of Singapore and the SID.

(v) Audit and Risk Committees

I continue my annual practice of meeting up with our External Auditors with the three Chairmen of our three Audit and Risk Committees (ARCs) in the absence of Management. It is my strong belief that as Chairman of the Group, I should deliberately not be represented in these Committees. Each of the three Committees also had their own private meetings with the Auditors without the presence of Management. As in the past years, the External Auditors mentioned the full co-operation of the Management staff and their requests for support and assistance were provided speedily without hesitation.

As International Financial Reporting Standards (IFRS) will be introduced in 2018, we continue to have special sessions for our Directors and Management staff on this subject. Changes in the legal sphere were also briefed by experts to our Directors and key senior staff in the course of 2017.

Our Group Internal Audit Head who had been with the Group for 36 years retired in 2017. With the assistance and approval of the ARC, a new head was recruited.

In 2017, 32 internal audits were conducted. Of these, 18 or 56% were confined to overseas entities signalling the importance of our overseas operations. The overseas locations covered in 2017 included China, the UK, Ireland and Perth. Generally, the outcome of the internal audit is satisfactory.

(vi) Investor Relations and Awards

Our Investor Relations (IR) team continued to have another busy year. With disruption in the industry, investors and funds are keeping close tabs on developments within the Group. The announcement of our intended tie-up with Uber in an alliance deal also attracted wide attention as it would be the first time that we would be entering the private hire market in a big way.

The IR team continued to meet up with representatives of many funds and the 16 research houses which cover our stock. In the latter case, they produced more than 180 reports in 2017. Our team also participated in six investor conferences and non-deal road shows in Singapore, Kuala Lumpur and Hong Kong. On these occasions, our team had good discussions on our strategies and vision, as well as our operations. Feedback from these active Stakeholders has been very useful to us in formulating our detailed plans and activities.

In the process, we are presenting to the Shareholders at the 2018 AGM our proposed share buy-back and the share performance schemes. The former is to enhance the value of our shares while the latter is to provide incentives to our talented and committed staff. Both have to be in step with each other. The proposed share performance scheme is purposely designed to seek a small 2% of the paid up capital over a 10-year period. It shall have no significant dilutive effect on the existing shareholdings. I hope Shareholders will give us the necessary support, encouragement and approval to proceed.

Our approach to our Shareholders and investing public continues to be transparent and prompt. We post announcements on the SGX without fail. Media releases are also issued for major or significant announcements and these are also put up on our websites. On the latter, I am pleased to report that in the inaugural survey undertaken by the Investor Relations Professionals Association and the EQS Group on 711 SGX-listed company websites, we were placed in comparatively high positions with

SBS Transit at 29th, VICOM 32nd and ComfortDelGro 36th. These rankings place us in the top 5% of the surveyed websites. All three websites are being updated and improved versions are either already launched or due to be launched soon.

At the 18th Securities Investors Association Singapore (SIAS) Investors' Choice Award 2017, our two listed subsidiaries, SBS Transit and VICOM, won the Transparency Award for the Mid- and Small-Cap category.

Our loyal Institutional Shareholders continued to own a significant portion of our shareholdings with 17% coming from USA, 15% from the UK, 12% from Asia and 6% from Europe. These numbers made up a total of 50% of our shareholdings. The top 20 Shareholders held 44% of our shares.

We listened to useful advice and suggestions from these Shareholders in their annual letters on investing for long-term benefits and emphasising on ESG issues. We also noted their satisfaction on our dividend policy which we shall maintain.

We continued to be one of the 30 component stocks of the Straits Times Index (STI). Unfortunately, our share price performance in 2017 fell against the STI compared to past years. The main cause is perhaps the technological disruption to our traditional taxi business. Despite the poorer share performance, our dividend yield of 5.25% as at the end of 2017 remains good. We are currently in the fifth position and outrank the average of the 30 stocks in the STI of 3.36%.

(vii) Directors

With disruption in business environment, the Group's process of planned director renewal and profile took on greater urgency. Initiated from the 2017 AGM where one director each from our three boards retired, the same pattern will take place at the 2018 AGM where two directors each from our two subsidiary boards and one from the parent company will retire. New directors to be appointed after the respective AGMs, will be those moulded along our intended profile described earlier.

Along with the changes, Directors are also kept updated on training

courses organised by SID as well as in-house sessions conducted on specific topics needed by the Group.

SINGAPORE BUSINESSES

In 2017, we continued to have eight business interests in Singapore. These are (i) public transport services (bus and rail), (ii) taxi, (iii) engineering, and sale of diesel and petrol, (iv) vehicle testing and non-vehicle testing services, (v) car rental, (vi) driving education, (vii) vehicle and outdoor advertising and (viii) insurance broking.

The Scheduled Bus business had its full year of operations under the new BCM in which we do not have to assume revenue risk. We have already concluded negotiations with the LTA and will be transiting to the New Rail Financing Framework in which we shall not be taking the revenue risk. A more detailed report of our Public Transport Services appears in our listed subsidiary SBS Transit's Annual Report.

In Unscheduled Bus business, we continued to win most of the major event bus charters like the National Day Rally and Standard Chartered Marathon. At the time of writing, we have just been awarded a large Shell Eastern Petroleum (Pte) Ltd contract to provide bus transportation services in Bukom for 10 years. Together with the likely acquisitions of a few small companies, we aim to be a significant private bus company running the LTA's approved premium bus services, corporate and school contracts as well as other major public contracts. We hope to be the leader in this domain.

We continued to command about 62% of total Taxi market in Singapore, maintaining our leadership position. However, the fast expanded private hire business together with the gradual opening of more MRT lines is eroding part of the overall taxi market volume. These are the threats to the taxi industry.

The decline in our Engineering business as a result of a reduced Taxi fleet may be offset by an expected increase in vehicles from the Private Hire business in 2018 if the alliance is approved. Our Car Rental business continued to

thrive in its niche market. Driving Education continued to perform well. Our Vehicle Advertising fared reasonably well but restrictions on the space on the buses that is permitted for advertising may erode some margins. Insurance Broking continued with its excellent efforts to reduce the Group insurance premium and at the same time enhance its benefits. At the end of 2017, we decided to buy over the 51% stake not owned by us thereby making it our wholly-owned subsidiary.

The Vehicle Testing business continued to enjoy its leading market share of close to 75%. But Non-Vehicle Testing business continued to face its share of challenges in sectors where there is a decline in commitments like oil & gas, and construction. In the year under review, it ventured into a project of glass inspection in the external facades of Gold Tower and Silver Tower, Cluster 1, in Dubai. A full report of our Vehicle Testing and Non-Vehicle Testing appears in our listed subsidiary VICOM's Annual Report.

We shall continue to look for growth in Singapore businesses. Managing our resources and experimenting with new approaches to improve our business outcomes and treating our hirer partners with understanding, care, concern and fairness shall be our major tasks in the years ahead.

OVERSEAS BUSINESSES

We also operate the same number of eight business areas overseas like Singapore. The difference is that we operate a Bus Station business overseas but not the Insurance Broking business. We continue to operate in six overseas countries in the UK, Australia, China, Ireland, Vietnam and Malaysia in order of size.

In the year under review, we bought over the minority stakes of our partners in ComfortDelGro Cabcharge Pty Ltd and CityFleet Networks Limited thereby making them wholly-owned subsidiaries. The former owns the bus operations in Australia while the latter owns the taxi circuit, private hire and coach service in the UK.

	2017	2016	Variance
1 GBP	S\$1.7984	S\$1.7760	+ 1.26%
1 AUD	S\$1.0430	S\$1.0455	- 0.24%
1 RMB	S\$0.2047	S\$0.2087	- 1.92%

At the time of writing, we had also bought into Metro WA Taxi Management Pty Ltd in Perth. This entity owns taxis in Perth. We have therefore extended beyond a taxi call centre. We also acquired another 217 taxi licences and vehicles in Shenyang, China in February 2018, bringing the fleet size there to 1,508. In the same month, we also entered into an agreement to buy a fleet of 117 buses and coaches across four depots in South Wales in our effort to extend this aspect of the business outside of London. Our efforts to expand further will be accelerated in the coming years with a new strategy as described under "The Next Steps".

At the same time, we also took advantage of the changes in the market to consolidate and combine our two taxi business interests in Ho Chi Minh City, Vietnam.

On the currency front, our three major trading currencies — the Great British Pound (GBP), Australian Dollar (AUD) and Chinese Renminbi (RMB) — remained relatively unchanged compared to the previous year. The GBP continued to fluctuate because of the unsettlement in the outcome of Brexit.

(i) United Kingdom

Our Scheduled Bus business in London continued to do well. Operating under the trade name of Metrolink Limited, it continued to assume its second position among large scheduled bus operators in London. It operated 97 routes with 1,689 buses and 4,504 drivers drawn from 70 nationalities in 2017.

We continued to trial some electric buses built by BYD Co Ltd. This experience has helped us to win a single deck electric bus operation in one route which will begin service in June 2018.

Transport for London (TfL) produced a five-year business plan for the new Mayor. The business plan envisages a very tight funding position as it is premised on the Mayor's electoral promise to freeze

fares in nominal terms over his term of office and the Central Government's decision to remove the operational subsidy from TfL completely by April 2018.

The Taxi Circuit and Private Hire businesses faced great challenges largely due to the prevalence of ride-hailing apps. We ceased operations in Edinburgh during the year. We are now left with three taxi circuits in London, Liverpool and Aberdeen.

The Coach business had a reasonably good year. Besides operating Coach services in London and Scotland, we also have inter-city coach operations between Scotland and some major English cities.

(ii) Australia

We had another successful year in Australia in 2017. We continued to run Scheduled Bus, Chartered Bus and School Contracts in Sydney and Melbourne where we are the leading private bus operators. We also operate in other Regional Cities like Hunter Valley, Blue Mountains and Queanbeyan in Sydney, as well as Geelong and Ballarat in Victoria. In Perth, we continued to be the leading taxi circuit operator.

We hope to expand further through acquisitions, both within the three States of Australia where we are already in as well as the remaining States where we do not have our presence. In the case of Perth, changes to the taxi industry pose interesting opportunities which we shall try to take advantage of. The present business model of just being a pure taxi circuit operator will need to be modified and changed.

(iii) China

China is the third largest country for our overseas investments after the UK and Australia. We provide Taxi, Bus Station, Car Rental Leasing, Vehicle Testing and Driving Education services. The same challenges that are present in the taxi industry globally are also found in China. However, the Central

Government has decentralised its policy guidelines on the application of ride-hailing apps and the private hire business to the Provincial and City Governments. In a way, policies and practices in the taxi industry in China vary greatly from place to place.

We continue to own 10,691 taxi licences in nine Cities in China in 2017. Because of the disruption, we managed to use only 9,905 licences in the year under review giving an unhired utilisation rate of about 7.4%. Nevertheless, we are still the leading operator in Jilin City, Nanning and Shenyang, second in Chengdu, third in Beijing, fourth in Nanjing and sixth in Suzhou. In the remaining two Cities of Shanghai and Tianjin we are comparatively smaller. Under the present business climate, perhaps, there are opportunities for some acquisitions of taxi licences as some stability will evolve with taxi and private hire existing side by side as envisaged by the Authorities.

The introduction of more high-speed rail network continues to have an impact on our Bus Station business in Guangzhou. However, the use of technology to capture our commuters through the WeChat platform is bringing worthwhile returns with our throughput reaching 2.7 million people, the highest in China. Electronic invoices for ticketing have also been introduced, providing convenience to our commuters. Additionally, our sale of passenger insurance is the highest in the Guangdong Province. These initiatives have helped us to stem the tide.

(iv) Ireland

The Coach operations continued to do well in Ireland operating under the trade name of ComfortDelGro Irish Citylink Limited. We continued to improve with quality services and better on-board facilities. Significantly strong performance was found in Limerick-Dublin Airport eireagle.com route. The core Galway-Dublin City/Airport Express route continued to perform well while there was a return to growth for the Galway-Dublin Commuter route.

Online marketing was intensified during the year, resulting in a 30% increase year-on-year in online sales. Fare increases were also successfully

implemented on the Limerick-Dublin Airport eiragle.com route, the Galway-Dublin Commuter route and the Galway-Clifden route.

To cap the year, ComfortDelGro Irish Citylink was ranked joint travel sector winner in Ireland in an independent survey ranking Ireland's best companies for customer experience.

(v) ASEAN: Vietnam and Malaysia

Our operations in Vietnam and Malaysia are very small. In Ho Chi Minh City, Vietnam, our two taxi companies faced the same issues as other global taxi companies. Steps have been undertaken to consolidate these two operations. With a combined fleet of 352 vehicles, we still rank third in the City.

In Kuala Lumpur, Malaysia, our Auto Leasing business faced a slow-down of the economy and managed 160 vehicles in the year under review.

MANPOWER

Our global manpower strength in 2017 was 21,918 compared to 22,048 in 2016, a decrease of 130 or 0.6%. The average total staff cost per day was S\$4.10 million, an increase of 2.8% from 2016 of S\$3.99 million. As our businesses are still very highly dependent on manpower, this issue appears to be reasonably well managed through job enlargement and human productivity efforts.

As future labour force issues are demanding and leadership succession crucial, the Board has decided that talent management and succession planning should come under greater focus by its Remuneration Committee. Candidates with potential are identified early and job rotations and exposure and training are mapped out for these personnel. The Board will continue to recruit outside personnel for special tasks and assignments.

Of the Group's manpower strength, 56% is based in Singapore with the balance coming from countries where our investments are large like the UK, Australia and China. In terms of nationalities, Singaporeans took up 30%, followed by Malaysians (21%), British (17%),

Australians (11%) and People's Republic of China nationals (8%). These five groups constituted 87% of our global workforce.

INFORMATION TECHNOLOGY

Our Information technology (IT) spend was S\$38 million in 2017 for both capital and operational items. This is about 1.0% of our Group revenue. In 2016, it was 1.1%. Out of the total expenditure, 21% was incurred in capital items compared with 33% in 2016.

The expenses on IT were to support the various Business Units' strategies for growth, customer service quality, operational efficiencies and meeting regulatory compliance requirements. We continued to leverage on mobile technology to enhance internal productivity and deliver customer service excellence. For example, significant investment was made on taxi mobile app to include new functionalities and to enhance end-user experience. Key enhancements included the support of more payment methods.

FINANCE

Under very trying conditions, I am pleased that Management is able to deliver another set of good results befitting the difficult business environment. Group Total Revenue had fallen to a shade slightly below the S\$4 billion mark at S\$3.97 billion. This is 2.2% lower than 2016 of S\$4.06 billion. Likewise, Group Total Operating Profit also declined by 11.5% to S\$409.2 million.

The two leading revenue generators continued to be Public Transport Services (Bus and Rail) and Taxi. Together they contributed 90.7% of the Group Total Revenue compared to 89.8% in 2016. Public Transport Services sector had a gain of 3.4 percentage points while the Taxi sector had, as expected, a loss of 2.5 percentage points.

In Group Total Operating Profit, the same two leading sectors in Revenue, were also the two leading sectors. When combined, they contributed 76.7% of the Group Total Operating Profit. This is an increase of 1.9 percentage points from 2016. Again, Public Transport Services

sector was ahead with a gain of 5.1 percentage points from 2016 while the Taxi sector suffered a drop of 3.2 percentage points.

Overseas Total Revenue represented 37.5% of Group Total Revenue, reflecting an increase of 0.2 percentage points over 2016. Correspondingly, Overseas Total Operating Profit of 40.4% of Group Total Operating Profit in 2017 is a decrease of 0.1 percentage points pitched against 2016. These figures continue to suggest that a substantial part of our businesses is drawn from abroad.

The Group Profit Before Tax had fallen by 8.8% to S\$425.4 million. However, Group Profit Attributable to Shareholders performed slightly better with a smaller fall of 4.9% to S\$301.5 million. This is due to the special dividend received from our investment in listed Cabcharge Australia Ltd in which the Group still holds a significant 9.6% shareholdings.

Earnings per share for 2017 dropped by 5.2% to 13.95 cents. But net asset value per share had increased by 5.4% to 121.01 cents. Returns to both equity and total assets in 2017 were 11.8% and 7.1% respectively. These were lower than the 2016's respective figures of 13.2% and 7.4%. But they were still decent numbers.

Capital expenditure in 2017 continued to decline as a result of asset-light environment in Public Transport Services in Singapore. The amount of S\$393.6 million, a drop of S\$72.9 million in 2017, was 15.6% lower than 2016 which was itself 30.3% lower than 2015.

Our Balance Sheet continued to be strong and healthy. Our Total Assets dropped by S\$221.7 million or 4.4% to S\$4.83 billion. Total borrowings decreased by a small quantum of S\$22.8 million to S\$322.3 million. Our gross gearing ratio decreased marginally from 10.8% in 2016 to 10.6% in 2017. Consequently, our net cash position was reduced to S\$273.9 million from S\$434.2 million in 2016.

With such healthy figures, your Directors are pleased to recommend a final higher tax-exempt one-tier dividend of 6.05 cents per share

compared to the tax-exempt one-tier interim dividend of 4.35 cents per share. When approved by the Shareholders at the AGM on 26 April 2018, the total dividend for the year would be 10.40 cents per share, a very slight increase compared to 10.30 cents paid in 2016. This is very meaningful since the financial results in 2017 were slightly inferior to that of 2016. It demonstrates our confidence to sustain the payment.

Your Directors do not wish to reduce the dividend quantum despite a weaker set of results as we are confident that we can afford this level of payment. The dividend payment in 2017 would represent 74.6% of our profitability. This is more than our declared policy of distributing at least 50% of our profits as dividend. It is also 4.5 percentage points higher than 2016. Against the year-end closing price of our shares at S\$1.98, the yield of 5.3% is reasonable and acceptable for the nature of our businesses.

SUSTAINABILITY REPORTING

The Group issued its 2015 Sustainability Report – its first standalone Report – in 2016, ahead of schedule and based on internationally accepted Global Reporting Institution Guidelines (G4 Core). It focussed on Singapore operations only. The coverage of the second or 2016 Sustainability Report expanded beyond Singapore and included all our operations worldwide. It is also the first time that we produced it in the CD format, in line with our effort to be more environmentally friendly. The third or 2017 Sustainability Report which accompanied this 2017 Annual Report would have some target settings.

THE NEXT STEPS

In my Statement last year, I said that a new strategy might be needed in light of swift changes and difficult challenges. With continued drastic movements in the industry, I am pleased to say that the Board, in reviewing its investment strategy, has decided that the Group would have to expand the list of mergers and acquisitions by considering projects with lower margins, so long as the investments are profit accretive, low risk and are acceptably priced.

It also decided that the Group should take a less conservative capital structure and move into a net debt position in order to fund growth.

Additionally, the Group might have to take a long-term view and consider taking minority stakes in larger or new investments that can break into new markets for future growth.

The Group should also explore strategic alliances with start-ups to collaboratively work on commercial application of emerging technologies.

The Group would also be considering setting up a special team of staff to look into new technologies and business models reporting directly to the Investment Committee (IC) for effectiveness.

APPRECIATION

The new Managing Director/Group Chief Executive Officer Mr Yang Ban Seng who assumed the position from 1 May 2017 has settled down comfortably after a quick tour of all the Group's overseas operations with me over the first two months of his tenure.

From 1 January 2018, he has taken over all the responsibilities and duties. One of his major accomplishments for the past eight months was the conclusion of negotiations with Uber.

I am confident that in the years ahead, he would be making changes to the management structure to meet the new challenges under a rapid transformation of business environment. Talent management, succession planning and recruitment of relevant staff to meet these new and unknown challenges would be his high priority.

In continuation with our director renewal process, Mr Oo Soon Hee will retire at the 2018 AGM. I wish to place on record my deepest appreciation to Soon Hee for his many valuable and significant contributions over the years from 1991 when he was first appointed as an independent Director of Singapore Bus Services (1978) Ltd, then a Director of DelGro Corporation Limited, and finally as a Founding Director of ComfortDelGro when it was formed in 2003. In the course of his directorships with us spanning over 26 years with the Group and its predecessors, he had served in ARC, Nominating Committee and IC. We

shall miss him.

I also wish to welcome Mr Kyle Lee Khai Fatt and Ms Tham as new independent Directors in the course of 2017. The former is a retired partner of PricewaterhouseCoopers LLP while the latter is the Head of Operations and Technology for Asia Pacific and Chief Operating Officer for Schroder Investment Management (Singapore) Limited. Their participation in Board and Committee meetings have been both refreshing and contributive. They shall seek re-elections as Directors at the 2018 AGM. I seek your support.

I wish to thank Ban Seng and his Management Team for their hard work, commitment and devotion to duty in smoothening the transition process of a change of the top position without any disruption. I also wish to thank our Senior Advisor, Mr Kua Hong Pak, for his assistance in making the transition very smooth. On this, I also wish to thank my fellow Directors for their active participation at Board and Committee meetings during the transitional period as well as their many significant contributions to make the changes prompt and effective. In fact, the Board met up with Ban Seng, both before he took up the appointment as well as six months after his assumption of duty.

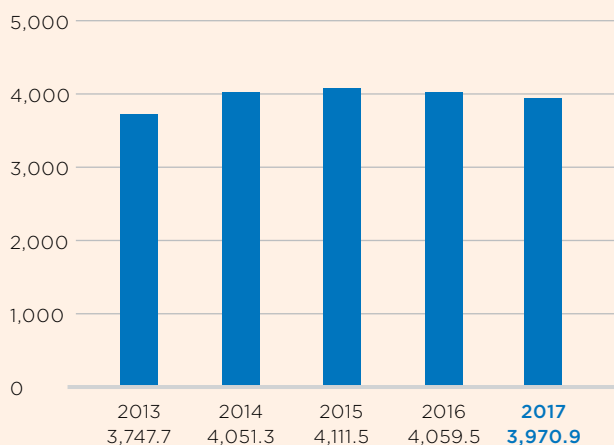
To the various Government Authorities and Regulators, Labour Unions, our Partners and our faithful and loyal Shareholders and Commuters, I wish to express my sincere appreciation for your continued cooperation, assistance and understanding over the years. I hope that we have not failed you in the course of discharge of our responsibilities and duties. I also hope that you do understand the difficult business climate under which we are operating now. We shall continue to work hard at meeting the expectations of all our Stakeholders.

Lim Jit Poh

Chairman
March 2018

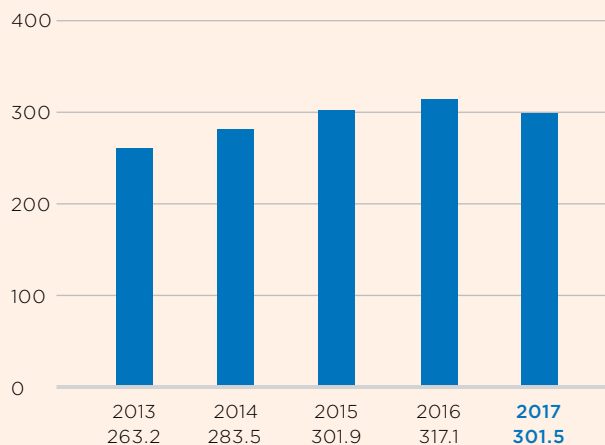
Revenue

(S\$'mil)



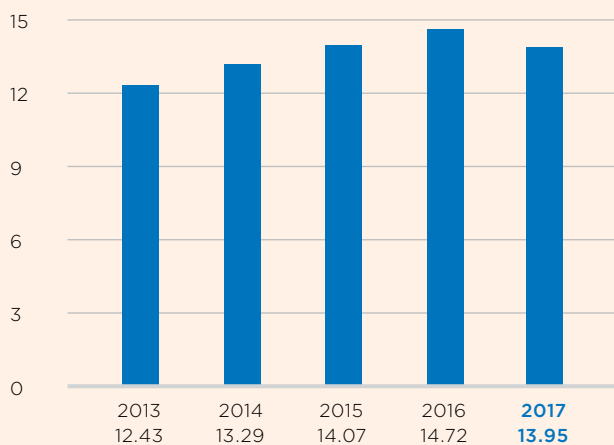
Profit Attributable to Shareholders

(S\$'mil)



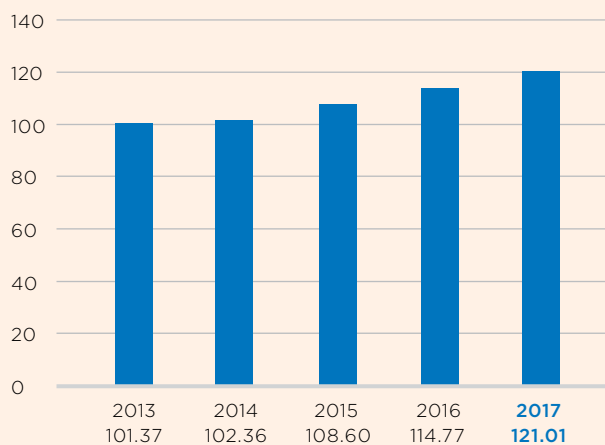
Earnings Per Ordinary Share

(cents)



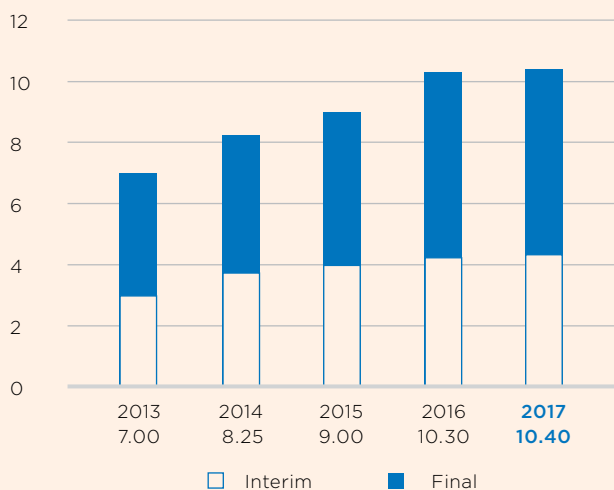
Net Asset Value Per Ordinary Share

(cents)



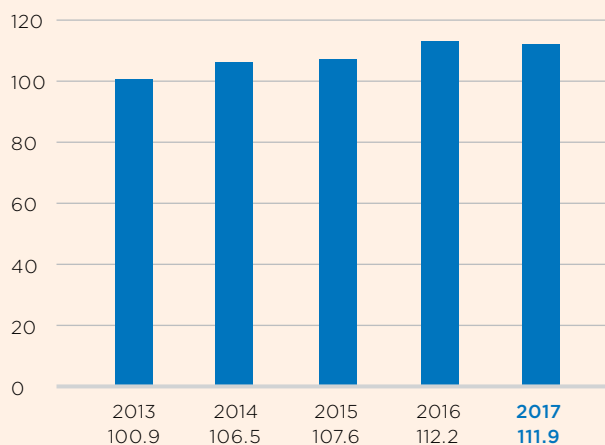
Total Dividend Per Ordinary Share

(cents)



Value-Added Per Employee

(S\$'000)



Financial Summary

	2013	2014	2015	2016	2017
Revenue (S\$'mil)	3,747.7	4,051.3	4,111.5	4,059.5	3,970.9
Operating Costs (S\$'mil)	3,321.4	3,609.2	3,660.8	3,597.3	3,561.7
Operating Profit (S\$'mil)	426.3	442.1	450.7	462.2	409.2
Profit Attributable to Shareholders (S\$'mil)	263.2	283.5	301.9	317.1	301.5
EBITDA (S\$'mil)	763.7	795.8	840.0	858.2	818.0
Issued capital (S\$'mil)	622.7	646.4	665.5	676.9	688.2
Capital and reserves (S\$'mil)	2,154.7	2,189.9	2,335.1	2,475.5	2,618.2
Capital disbursement (S\$'mil)	500.1	511.6	650.5	466.5	365.4
Return on shareholders' equity (%)	12.6	13.1	13.3	13.2	11.8
Earnings per ordinary share (cents)	12.43	13.29	14.07	14.72	13.95
Net asset value per ordinary share (cents)	101.37	102.36	108.60	114.77	121.01
Interim dividend per ordinary share (cents)	3.00	3.75	4.00	4.25	4.35
Final dividend per ordinary share (cents)	4.00	4.50	5.00	6.05	6.05
Total dividend per ordinary share (cents)	7.00	8.25	9.00	10.30	10.40
Dividend cover (number of times)	1.8	1.6	1.6	1.4	1.3

Group Revenue by Business Segment

	2013		2014		2015		2016		2017	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Public transport services	2,025.8	54.1	2,251.5	55.5	2,332.5	56.7	2,307.3	56.8	2,391.4	60.2
Taxi	1,197.9	32.0	1,283.7	31.7	1,326.8	32.3	1,340.8	33.0	1,208.7	30.5
Automotive engineering services	316.5	8.4	302.7	7.5	238.5	5.8	204.8	5.0	171.1	4.3
Inspection and testing services	105.7	2.8	109.1	2.7	107.5	2.6	103.7	2.6	100.7	2.5
Driving centre	38.0	1.0	39.3	1.0	38.9	1.0	39.7	1.0	42.0	1.1
Car rental and leasing	35.2	0.9	35.9	0.9	38.3	0.9	36.3	0.9	31.4	0.8
Bus station	28.6	0.8	29.1	0.7	29.0	0.7	26.9	0.7	25.6	0.6
Group	3,747.7	100.0	4,051.3	100.0	4,111.5	100.0	4,059.5	100.0	3,970.9	100.0

Group Revenue by Geographical Segment

	2013		2014		2015		2016		2017	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	2,229.8	59.5	2,399.6	59.2	2,468.7	60.0	2,545.9	62.7	2,483.3	62.5
United Kingdom / Ireland	802.3	21.4	1,014.1	25.0	1,024.1	24.9	923.9	22.8	875.4	22.0
Australia	485.0	12.9	413.5	10.2	387.1	9.4	385.5	9.5	423.6	10.7
China	220.1	5.9	212.9	5.3	219.7	5.4	192.4	4.7	179.2	4.5
Vietnam	6.3	0.2	7.1	0.2	8.7	0.2	8.9	0.2	6.8	0.2
Malaysia	4.2	0.1	4.1	0.1	3.2	0.1	2.9	0.1	2.6	0.1
Group	3,747.7	100.0	4,051.3	100.0	4,111.5	100.0	4,059.5	100.0	3,970.9	100.0

Operating Profit by Business Segment

	2013		2014		2015		2016		2017	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Public transport services	162.2	38.0	172.2	38.9	177.7	39.4	178.3	38.6	179.0	43.7
Taxi	146.2	34.3	150.9	34.1	163.9	36.4	167.5	36.2	135.1	33.0
Automotive engineering services	52.7	12.4	51.4	11.7	41.2	9.1	50.7	11.0	33.9	8.3
Inspection and testing services	35.2	8.3	36.8	8.3	37.7	8.4	34.8	7.5	32.6	8.0
Driving centre	8.5	2.0	9.2	2.1	8.5	1.9	10.6	2.3	9.8	2.4
Car rental and leasing	9.1	2.1	9.1	2.1	9.2	2.0	8.1	1.8	6.9	1.7
Bus station	12.4	2.9	12.5	2.8	12.5	2.8	12.2	2.6	11.9	2.9
Group	426.3	100.0	442.1	100.0	450.7	100.0	462.2	100.0	409.2	100.0

Operating Profit by Geographical Segment

	2013		2014		2015		2016		2017	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Singapore	217.7	51.1	227.2	51.4	245.1	54.4	275.1	59.5	243.9	59.6
United Kingdom / Ireland	62.9	14.8	89.1	20.2	92.2	20.5	80.7	17.5	60.7	14.8
Australia	95.1	22.3	72.2	16.3	62.9	13.9	57.3	12.4	60.1	14.7
China	49.2	11.5	52.2	11.8	48.6	10.8	47.4	10.2	44.0	10.8
Vietnam	0.6	0.1	0.6	0.1	1.3	0.3	1.2	0.3	-	-
Malaysia	0.8	0.2	0.8	0.2	0.6	0.1	0.5	0.1	0.5	0.1
Group	426.3	100.0	442.1	100.0	450.7	100.0	462.2	100.0	409.2	100.0

Value-Added for the Group

	2013		2014		2015		2016		2017	
	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%	S\$'mil	%
Suppliers of capital										
- loan interest and dividends	193.5	9.1	220.0	9.5	232.7	9.7	244.4	9.9	294.1	12.0
Taxation to the government	227.9	10.7	240.6	10.4	242.9	10.1	243.8	9.9	212.7	8.7
Retained earnings	484.9	22.9	485.0	21.1	521.0	21.7	528.4	21.3	450.2	18.3
Employees										
- salaries and other staff costs	1,216.7	57.3	1,359.3	59.0	1,403.5	58.5	1,458.0	58.9	1,495.2	61.0
Total value-added	2,123.0	100.0	2,304.9	100.0	2,400.1	100.0	2,474.6	100.0	2,452.2	100.0
Number of employees	21,042		21,646		22,303		22,048		21,918	
Value-added per employee (S\$'000)	100.9		106.5		107.6		112.2		111.9	

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

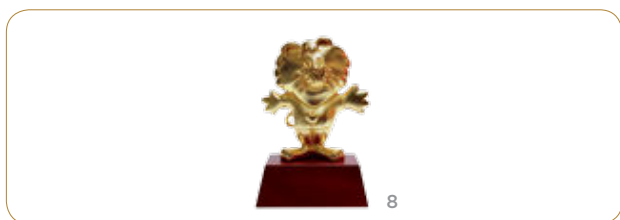
- 1. Champions of Good 2017 Award by the National Volunteer and Philanthropy Centre
- 2. Distinguished Friend of Lions Befrienders
- 3. Total Defence Award - NS Advocate Award for Large Companies by the Ministry of Defence

Beijing Jin Jian Taxi Services

- 4. Branches 5 and 15 were awarded the “Advanced Unit on Security Information in the Taxi Industry” by the Beijing Municipal Public Security Bureau
- 5. Beijing Municipal Advanced Unit of Traffic Safety Management 2016 by the Beijing Municipal Traffic Safety Committee
- 6. Beijing Honest Service Enterprise 2016 by the Beijing Taxi and Car Rental Association

Chengdu ComfortDelGro Taxi

- 7. “Chengdu Good Driver” and “Civilised Transport Demonstration Unit” Award



ComfortDelGro Bus

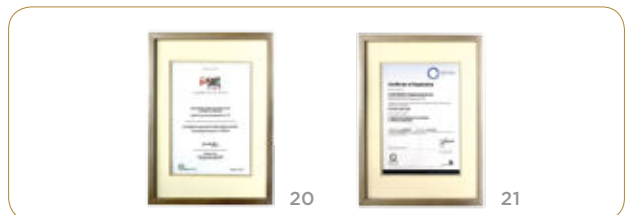
- 8. 10 National Kindness Award - Transport Gold 2017 winners
- 9. Road Safety Award for Companies with Bus Fleet by the Singapore Road Safety Council (SRSC)

ComfortDelGro Corporation Australia

- 10. Community Event of the Year for Christmas Bus Initiative
- 11. Brendon Lewis and Peter Rose were Finalists for the Passion! Award 2016
- 12. Recognised for Outstanding Contribution in the Hills Shire Summer Series for Australia Day 2017

ComfortDelGro Driving Centre

- 13. ‘Assisted Compliance Assurance Programme (ACAP) Premium’ status by the Inland Revenue Authority of Singapore
- 14. Certified On-the-Job Training Centre by the Institute of Technical Education
- 15. ISO 9001:2008 Quality Management System Certification
- 16. Neo Choon Jin was Finalist for the Passion! Award 2016
- 17. Singapore Quality Class Star and People Developer Certification by SPRING Singapore



ComfortDelGro Engineering

- 18. 27 National Kindness Award - Transport Gold 2017 winners
- 19. 81 Excellent Service Award 2017 winners
- 20. bizSAFE Star Recertification by the Workplace Safety & Health Council
- 21. BS OHSAS 18001:2007 Occupational Health and Safety Management System Recertification
- 22. ISO 9001:2015 Quality Management System Certification
- 23. Quek Li Tong was Finalist for the Passion! Award 2016
- 24. Singapore Quality Class Star Certification by SPRING Singapore

ComfortDelGro Irish Citylink

- 25. 2017 Winner in the Travel Sector by Customer Xperience Insights (cXi)



ComfortDelGro Taxi

- 26. 235 Excellent Service Award winners
- 27. 39 National Kindness Award - Transport Gold 2017 winners
- 28. Achievement Award and Excellence Award at the Singapore HEALTH Award by the Health Promotion Board (HPB)
- 29. Special Mention (Distinction) Award for Mature Workers at the Singapore HEALTH Award by the HPB
- 30. Appreciation for strong partnership and close collaboration by the Singapore Police Force
- 31. Ong Swee Ker was Finalist for the Passion! Award 2016
- 32. Tan Beng Cheong was awarded Merit and Mohamed Bin Ghani was awarded Champion in the "Safe-Driver - Taxi Fleet" category while Woon Choon Seong was awarded Champion and A Noh Bin Abdullah was awarded Merit in the "Most Improved Driver - Taxi Fleet" category at the Singapore Road Safety Award 2016 by the SRSC

Guangzhou Xin Tian Wei Transportation Development

- 33. Lan Yong Lian was awarded Outstanding Station Manager and Outstanding Brand Building for Bus Station by the China Land Transport Association
- 34. Li Jiaying and Li Weijun were awarded Advanced Individual in the Information Service Management category by the Guangzhou Transport Information and Control Centre
- 35. Lu Jianhui and Tang Hua were awarded Advanced Management in the Information Service Management category by the Guangzhou Transport Information and Control Centre
- 36. "Model Unit" in the Information Service Management category by the Guangzhou Transport Information and Control Centre
- 37. Outstanding Unit in Fire Safety for 2016 by the Guangzhou Transport Group
- 38. Outstanding Unit in Safety Production for 2016 by the Guangzhou Transport Group
- 39. Outstanding Unit in Social Security Management for 2016 by the Guangzhou Transport Group
- 40. Outstanding Member Unit for 2015-2016 by the Guangdong Land Transport Association
- 41. The Security Department was awarded "Model Staff Home" by the Guangdong Federation of Trade Unions

Metroline

- 42. Ian Foster, Metroline's Engineering Director, was elected to the General Council of the Institute of Road Transport Engineers
- 43. Michael Francis was shortlisted in the category of London Driver of the Year at the 2017 UK Bus Awards
- 44. Willesden Garage was shortlisted for the Best London Bus Garage Award at the 2017 UK Bus Awards
- 45. Stan Davern was awarded Transport Safety Champion of the Year at the Metroline Service Awards
- 46. Tracey Palmer received the Accessibility Champion Award at the 2017 London Bus Awards



Moove Media

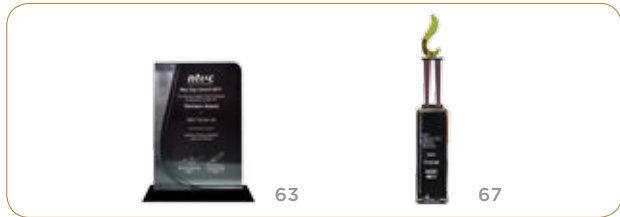
- 47. Advertising Award at the Singapore National Business Awards 2017 by the Singapore Business Review
- 48. "Best Launch/Relaunch by a Media Owner" Silver Award at the SPARK Awards for Media Excellence 2017 by the Marketing Interactive



Nanning Comfort Transportation

- 49. 10 cabbies were named Pioneer Workers by the Nanning City Federation of Trade Union
- 50. Another 10 cabbies were awarded Pioneer Unit by the Nanning City Federation of Trade Union
- 51. Liaoqi won the Passion! Award 2016
- 52. Li Fangjie was awarded "Outstanding Trade Union Active Member" by the Trade Union of Nanning High-tech Industrial District
- 53. Mo Xiulian was awarded "Outstanding Trade Union Member" by the Trade Union of Nanning High-tech Industrial District
- 54. Nanning High Tech Industrial District Model Employee Home by the Trade Union of Nanning High-tech Industrial District

- 55. Mo Linjun was awarded “Nanning City Skilled Driver” by the Nanning Federation of Trade Union
- 56. Su Shijun and Wang Huining were awarded “Nanning Outstanding Driver” by the Traffic Police Division of Nanning Public Security Bureau



SBS Transit

- 57. 147 National Kindness Award - Transport Gold 2017 winners
- 58. 1,598 Excellent Service Award winners
- 59. Ho Ah Seng was awarded in the “Safe Driver” category and Tham Moon Kiat was awarded in the “Most Improved Driver” category at the Singapore Road Safety Award 2016 by the SRSC
- 60. ISO 55001:2014 Asset Management Certification
- 61. Lee Teh Huat and Tan Lai Chua were Finalists for the Passion! Award 2016
- 62. Lim Boon Long and Han Tat Toon were awarded the SkillsFuture Fellowship Award 2017 by the Singapore National Employers Federation
- 63. May Day Partnership Award 2017 by the National Trade Union Congress (NTUC)
- 64. May Day Award for contribution to the Singapore Bus Academy by the NTUC
- 65. NTUC Health Volunteer Appreciation 2017 Award
- 66. Special Mention Award for Mature Workers at the Singapore HEALTH Award by the HPB
- 67. Transparency Award - Mid and Small Cap category at the Securities Investors Association (Singapore)’s (SIAS) 18th Investors’ Choice Award 2017
- 68. Attained the Tripartite Standard (TS) on Employment of Term Contract Employees by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)
- 69. Attained the TS on Flexible Work Arrangements by the TAFEP



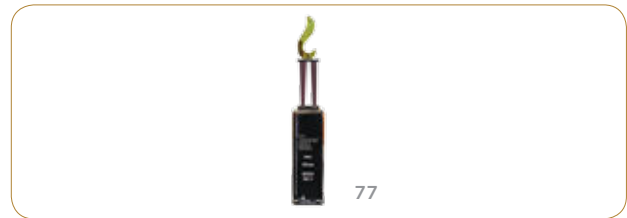
Setsco Services (SETSCO)

- 70. Attained new accreditation for Management System Certification by the Singapore Accreditation Council

- 71. Total Defence Award - NS Mark Gold by the Ministry of Defence
- 72. Total Defence Award - NS Advocate Award for Large Companies by the Ministry of Defence

Swan Taxis

- 73. Marie Hodorek was Finalist for the Passion! Award 2016



VICOM

- 74. Chee Yin Seng was Finalist for the Passion! Award 2016
- 75. ISO 9001:2015 Quality Management System Recertification
- 76. Recertification of ISO/IEC 17025:2005 General Requirements for the Competence of Testing and Calibration Laboratories
- 77. Transparency Award - Mid and Small Cap category at the SIAS’ 18th Investors’ Choice Award 2017
- 78. Total Defence Award - NS Mark by the Ministry of Defence



Vietnam Taxi (Vinataxi)

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

Board of Directors

Lim Jit Poh
Chairman

Kua Hong Pak
Managing Director/
Group Chief Executive Officer
(Stepped down on 30 April 2017)

Yang Ban Seng
Managing Director/
Group Chief Executive Officer
(Appointed on 1 May 2017)

Lee Khai Fatt, Kyle (Appointed on 1 May 2017)
Ong Ah Heng
Oo Soon Hee
Sum Wai Fun, Adeline
Tham Ee Mern, Lilian (Appointed on 1 August 2017)
Wang Kai Yuen
Wong Chin Huat, David
Tow Heng Tan (Retired on 26 April 2017)

Audit and Risk Committee

Sum Wai Fun, Adeline
Chairman

Lee Khai Fatt, Kyle (Appointed on 1 May 2017)
Ong Ah Heng
Oo Soon Hee
Tham Ee Mern, Lilian (Appointed on 1 August 2017)
Wong Chin Huat, David (Stepped down on 1 May 2017)

Remuneration Committee

Wang Kai Yuen
Chairman

Lim Jit Poh
Ong Ah Heng (Appointed on 1 May 2017)
Wong Chin Huat, David
Tow Heng Tan (Stepped down on 26 April 2017)

Nominating Committee

Lim Jit Poh
Chairman

Lee Khai Fatt, Kyle (Appointed on 1 May 2017)
Wang Kai Yuen
Wong Chin Huat, David (Appointed on 1 May 2017)
Ong Ah Heng (Stepped down on 1 May 2017)
Oo Soon Hee (Stepped down on 1 May 2017)

Investment Committee

Lim Jit Poh
Chairman

Oo Soon Hee (Appointed on 1 May 2017)
Sum Wai Fun, Adeline
Tham Ee Mern, Lilian (Appointed on 1 August 2017)
Wang Kai Yuen
Yang Ban Seng (Appointed on 1 May 2017)
Tow Heng Tan (Stepped down on 26 April 2017)
Kua Hong Pak (Stepped down on 30 April 2017)

Corporate Directory

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

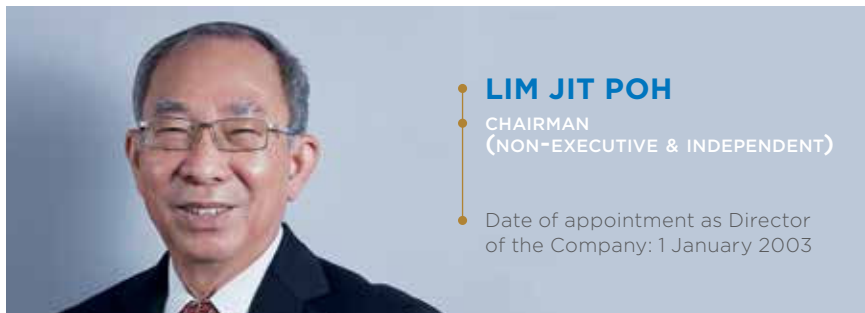
Joint Company Secretaries
Chan Wan Tak, Wendy
Yeo Tee Yeok, Edwin
(Appointed on 1 May 2017)

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



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 the Company's two listed subsidiaries, SBS Transit Ltd and VICOM Ltd. These companies have business interest in bus and rail and inspection and testing services respectively. Mr Lim is also the Chairman of several non-listed companies owned by the Singapore Labour Foundation, the National Trades Union Congress (NTUC) and CapitaLand Limited Group.

Mr Lim was a former top civil servant and a Fulbright Scholar. He was awarded the Public Administration Medal in 1972 and the Public Service Star (BBM) in 2015 by the President of the Republic of Singapore, as well as four awards by NTUC, namely the Friend of Labour Award in 1986, the Meritorious Service Award in 1990, the Distinguished Service Award in 2000 and the Distinguished Service (Star) Award in 2014. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore.

In his previous employment as Executive Director of two public-listed companies, Mr Lim had been directly involved in negotiations

with business partners and relevant authorities on various joint venture projects in the ASEAN region, as well as in China, Hong Kong, United Kingdom, Australia and Mauritius. He was also involved in the management of these operations. Mr Lim was a Council Member of the Singapore Chinese Chamber of Commerce and Industry and the National University of Singapore, and a Member of the Singapore British Business Council. He was also very active in community work being Chairman of a community centre management committee. Presently, he is a Trustee of the Singapore National Employers Federation and a Member of the Board of Management of Pei Chun Public School.

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

Date of last re-election as Director of the Company: 26 April 2017

Mr Yang Ban Seng is the Managing Director/Group Chief Executive Officer of ComfortDelGro Corporation Limited. He is a non-independent Director of the Company. He is a member of the Investment Committee. He is also the Deputy Chairman of SBS Transit Ltd and VICOM Ltd. Prior to his current appointment, Mr Yang was the Chief Executive Officer of Taxi Business in Singapore where he oversaw the operations of Comfort Transportation Pte Ltd and CityCab Pte Ltd. Prior to joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the



Ministry of Home Affairs and the National Trades Union Congress' (NTUC) Secretary for Co-operatives. At the NTUC's May Day Awards in 2013, he was awarded the Medal of Commendation.

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

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

Mr Lee trained as a Chartered Accountant in London and, in his professional career spanning 36 years, he has worked in both the United Kingdom and Singapore. He served as a partner of Price Waterhouse and



PricewaterhouseCoopers LLP for 20 years including five years as a Practice Leader for Business Advisory Services.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, Institute of Singapore Chartered Accountants and the Singapore Institute of

Directors. Additionally, he has a Master of Science in International Management from SOAS London and Master of Business Administration from Imperial College London.



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 Remuneration Committee. He was the Member of Parliament for Nee Soon Central

Single Member Constituency until Parliament dissolved in April 2011. He is presently a Director of ComfortDelGro Engineering Pte Ltd and a Trustee of National Transport Workers' Union (NTWU). Mr Ong was the former Assistant Secretary-General of the National Trades Union Congress (NTUC) and

Alignment Director of the Care & Share Secretariat in NTUC. He was also the former Executive Secretary of NTWU.

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

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

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

BOARD OF DIRECTORS

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 Investment Committee. Mr Oo is presently 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.



OO SOON HEE

DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

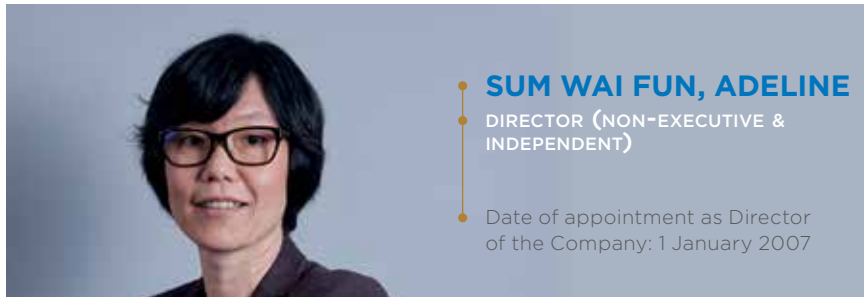
Date of appointment as Director of the Company: 18 February 2003

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 Chief Executive Officer of NTUC

Enterprise Co-operative Limited and Managing Director of NTUC Fairprice Co-operative Limited. She holds directorships in the NTUC Enterprise Group.

Ms Sum 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

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

Ms Tham currently holds the positions of Head of Operations & Technology for Asia Pacific and Chief Operating Officer for Singapore at the Schroder Investment Management (Singapore) Limited with regional responsibilities that encompass Portfolio Services, Fund Services, Information Technology and Change & Project Management. As Chief Operating Officer of Singapore, she has additional local oversight of Finance, Legal, Risk and Compliance. She is also



THAM EE MERN, LILIAN

DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Date of appointment as Director of the Company: 1 August 2017

a member of the Global Operations Committee responsible for setting the global operational strategy of the firm. Prior to joining Schroders, she was a Management Consultant with Coopers & Lybrand (now PricewaterhouseCoopers) focussing on IT consultancy in the financial and manufacturing industries.

Ms Tham is presently a Board Member of Home Nursing Foundation and is a member of DTCC Asia Executive Council and HSBC Asia Client Advisory Board.

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

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



WANG KAI YUEN

DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

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

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: 26 April 2017

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 Remuneration Committee and Nominating Committee.

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

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

Mr Wong was awarded the Friend of Labour Award in 1989, the Meritorious Service Award in 1995, the Distinguished Service Award in 2001 and the Distinguished



WONG CHIN HUAT, DAVID

DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

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

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

Singapore for community and social services rendered.

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

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

CORPORATE OFFICE



CHOO CHEK SIEW



NEO ENG HOE



CHAN MUI WAH, DAISY



TAN I-LIN, TAMMY

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.

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.

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.

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.



CHOO PENG YEN



ENG SOK YONG



CHONG YEW FUI, ADRIAN



CHAN WAN TAK, WENDY



YEO TEE YEOK, EDWIN

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).

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.

CHONG YEW FUI, ADRIAN

GROUP INTERNAL AUDIT OFFICER

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

CHAN WAN TAK, WENDY

JOINT COMPANY SECRETARY

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

YEO TEE YEOK, EDWIN

VICE PRESIDENT, GROUP LEGAL AND JOINT COMPANY SECRETARY

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

BUSINESS UNITS
SINGAPORE



GAN JUAY KIAT



ANG WEI NENG



SIM WING YEW



ANG SOO HOCK

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.

ANG WEI NENG
CHIEF EXECUTIVE OFFICER, TAXI
BUSINESS, COMFORTDELGRO

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

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.

ANG SOO HOCK
CHIEF EXECUTIVE OFFICER, COMFORTDELGRO ENGINEERING

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



HUAM CHAK KHOON



JAYNE KWEK



PANG WENG HENG



ONG BENG TIN, MARY



CHUA BENG PENG, CLEMENT

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 the 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.

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.

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.

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.

CHUA BENG PENG, CLEMENT
 CHIEF EXECUTIVE OFFICER,
 COMFORTDELGRO INSURANCE BROKERS

Mr Clement Chua Beng Peng was appointed the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd on 1 March 2018, where he is responsible for all aspects of the Group's insurance, claims and risk management activities. Prior to his appointment, he was the Chief Operating Officer since January 2016. He had joined the Group in 2005 where he has held various positions and responsibilities with diversified experience in insurance broking, operations, claims handling, risk management, business development, corporate planning and services. He holds a Bachelor of Economics Degree from the University of Western Australia, a Diploma in Insurance from the Chartered Insurance Institute, and is a Certified Professional Risk Manager from the Asia Risk Management Institute.

BUSINESS UNITS

UNITED KINGDOM/IRELAND

BUSINESS UNITS

AUSTRALIA



JASPAL SINGH



CHENG SIAK KIAN



YAP SOON HUA, NICHOLAS



CAREY JOHN MARSHALL

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.

CHENG SIAK KIAN

CHIEF EXECUTIVE OFFICER, COMFORTDELGRO CORPORATION AUSTRALIA (NSW)

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

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 Pty Ltd (VIC) on 1 December 2016. Prior to this appointment, he was General Manager of CDC Victoria Pty Ltd and Chief Operating Officer of ComfortDelGroCabcharge 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.

CAREY JOHN MARSHALL

CHIEF EXECUTIVE OFFICER, SWAN TAXIS

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

BUSINESS UNITS

CHINA



LEONG KWOK SUN



TAY CHEW LIANG, MARC



TANG YEW MENG, RICHARD

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.

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.

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).

BUSINESS UNITS
VIETNAM

BUSINESS UNITS
MALAYSIA



DENNIS LIM WEE JIN



LIM CHAI HWEE



CHIA WING TOO, ERIC

DENNIS LIM WEE JIN
CHIEF EXECUTIVE OFFICER,
WEST CHINA BUSINESS UNIT

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

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.

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.

SINGAPORE

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

2,483.3

Revenue (S\$'mil)

19,426

Total operating fleet size

12,623

Total number of employees

Public Transport Services

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

Scheduled Bus

2017 marked the first full year that SBS Transit Ltd operated under the Bus Contracting Model (BCM), where the provision of bus services and the corresponding standards are all determined by the Land Transport Authority (LTA). In all, SBS Transit operates eight bus packages under the Negotiated Contracts (NC).

In April 2017, SBS Transit was awarded the contract for the Seletar Bus Package which comprises 26 bus services that are operating from the Ang Mo Kio, Yio Chu Kang and Yishun Bus Interchanges. This is the third Package under the BCM. As part of the Package, SBS Transit also took over the operations of the newly-built Seletar Depot, which has been purpose built to house close to 530 buses, in the third quarter of 2017. The 96,000 square metre Depot boasts many features including mobile phone charging stations, free Wi-Fi access and a gym for the staff working there.

In February 2018, the LTA announced that SBS Transit had won the Bukit Merah Bus Package, the first Package under the NC that was put up for competitive tendering in April 2017. This is the fourth Bus Package under the BCM and it consists of 18 bus services, including two cross-border services to Johor Bahru, all of which are already operated by SBS Transit. This Package will be implemented from the last quarter of 2018.

During the year, SBS Transit took delivery of 146 new buses. These included Germany's MAN buses that were added to its fleet for the very first time. It also received its first three articulated buses, increasing its total fleet size by 127 or 4.1% to 3,246 buses. Of these, 43% are double decks.



SBS Transit also rolled out the last nine of its bus services as wheelchair accessible in August 2017. With this, all of SBS Transit's 208 bus services are now wheelchair friendly.

More details on our scheduled bus operations can be found in SBS Transit's 2017 Annual Report.

Unscheduled Bus

The Group's wholly-owned subsidiary, ComfortDelGro Bus Pte Ltd, has a fleet size of 347 buses. It operates employee and school bus charters as well as overland bus services to West Malaysia. It also operates premium bus services, and shuttle bus services for industrial parks, shopping malls, educational institutions and condominiums.

In 2017, 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, as well as marathons and sports activities such as the Standard Chartered

Marathon, Yellow Ribbon Run, OCBC Cycle as well as the ASEAN School Games 2017.

Demand for its five premium bus services remained steady throughout the year. It successfully tendered for five new contracts, renewed a number of its existing ones and continued to provide school bus services to six local schools.

Recently, ComfortDelGro Bus was awarded a large Shell Eastern Petroleum (Pte) Ltd contract to provide bus transportation services in Bukom for 10 years.

To retain its bus drivers and attract new ones, ComfortDelGro Bus implemented various schemes, including an employee referral scheme. It also introduced one-off bonuses, transport reimbursements and monthly incentives to bolster remuneration packages for bus drivers.

During the year, ComfortDelGro Bus disposed of 23 buses and bought 21 new ones. It plans to purchase 15 more in 2018 as part of fleet expansion.

Rail

For the year in review, demand for SBS Transit's rail services continued to grow. Rail ridership increased by 8.2% to more than 356 million passenger trips.

The increase came largely from the 42-kilometre long Downtown Line (DTL), which became fully operational on 21 October 2017 with the opening of the last 16 stations. Compared to 2016, average daily ridership on DTL grew by 26.7% to 279,116. As at January 2018, average daily weekday ridership on the DTL has hit a new high of 470,000.

Ridership also increased on the North East Line (NEL) and the Sengkang-Punggol Light Rail Transit (SPLRT) systems. Compared to 2016, ridership on the NEL increased by 1.7% to 210.2 million while ridership on the SPLRT systems grew by 5.6% to 44.1 million in 2017.

To cater to the increase in passenger demand, SBS Transit added 146 more weekly trips to the NEL, and 252 daily trips to the SPLRT. It also extended its two-car train operations to weekends and

public holidays on both the Sengkang West LRT Loop and the Punggol East LRT Loop.

SBS Transit continued to improve its rail reliability. Its Mean Kilometre Between Failure (MKBF¹), a reliability measure used globally in the rail industry, was 650,000 train-km for DTL and 663,000 train-km for the NEL, which compared favourably to the nationwide network's average of 390,000 train-km. For the SPLRT, SBS Transit achieved 115,000 car-km while the nationwide network's average was 77,000 car-km.

More details on our rail operations can be found in SBS Transit's 2017 Annual Report.

Taxi

ComfortDelGro Taxi remained Singapore's largest taxi operator with a combined fleet of about 13,340 Comfort and CityCab taxis.

Despite intense competition, ComfortDelGro's volume of booking jobs remained strong during the year. Its ComfortDelGro App also experienced a 35% increase in its average daily new downloads as a result of targeted promotions and new services that were launched. One of these new services was the Flat Fare option, which offers passengers who book via the ComfortDelGro App, the certainty of the fare upfront, with no hidden add-ons and no surge pricing. The Flat Fare option proved to be



popular among passengers. In just 10 days, the number of flat fare bookings crossed the 100,000-mark, and in October 2017, it crossed the 3 million-mark. To familiarise the public more about its Flat Fare option, ComfortDelGro Taxi not only rolled out 920 taxis with the "Flat Fare, No Surge Pricing" body wraps but it also launched a two-week "Flat Because Who Likes Bumps?" contest on Facebook. The contest encouraged Facebook users to compare flat fare bookings with fixed fares, and the ones that showed the highest savings win. The contest drew close to 190 entries and 47 participants were rewarded. As a result of marketing efforts, close to 4.6 million Flat Fare bookings were catered for the year.

In May 2017, ComfortDelGro Taxi and RYDE signed a strategic partnership to give RYDE app users access to its taxis, and its taxi drivers access to 100,000 users.

In June, ComfortDelGro launched CabRewards+, which rewards passengers with double the cabpoints when they continue their bus or train journeys with ComfortDelGro taxis. These cabpoints can be used to redeem a variety of rewards including instant discounts for taxi booking jobs via the ComfortDelGro App, taxi vouchers or free transfers to the airport via the CabRewards website.

As cashless payments gained momentum in Singapore, ComfortDelGro Taxi became the first taxi company in Asia to extend the Masterpass™ payment, a digital



¹MKBF refers to the mean km travelled between delays of more than five minutes.

payment service which requires neither cash nor physical card, to pay for street hail rides on board its taxis. With this extension, Masterpass transactions increased by another 30%. The Company also went on to add DBS PayLah!, Alipay and other QR Code payments such as OCBC Pay Anyone and UOB Mighty.

In December 2017, ComfortDelGro Taxi created its own mobile wallet – CabPay – to replace the physical Cabcharge card by incorporating it as an electronic payment option in the ComfortDelGro App for Cabcharge members. To-date, close to 1,000 CabPay mobile wallets have been created.

As a result of the Company's ability to provide customised taxi services, ComfortDelGro Taxi managed to renew its contract with VITAL to provide government agencies taxi services for another two years. It also secured new contracts to provide taxi services for staff of Aetos Security Management Pte Ltd and Resorts World Sentosa, Singapore.

To bring about greater convenience to its taxi drivers, ComfortDelGro Taxi revamped the Cabby Portal to make it more user-friendly. It also launched a new Cabby App on both the iOS and Android systems so that cabbies on the move could check their statements and performance records as well as send feedback on their smartphones. The ComfortDelGro Bidding App, which comes with a demand heat map, was revamped to enable taxi drivers to bid for current booking jobs even when they are not in their taxis.

On 1 June 2017, the Company extended the Drive and Save Scheme (DAS) to its relief drivers. Relief drivers, who contributed S\$20 to their Central Provident Fund (CPF) Medisave Accounts via the CPF Board, were given a S\$20 top-up from the Company. With this extension, 43% of ComfortDelGro hirers and relief drivers have benefited from DAS.

The Company disbursed financial assistance from the

Cabby Hardship Fund that was set up in December 2016 to its taxi drivers or their immediate family who require financial aid arising from death, total and permanent incapacity, as well as serious chronic medical conditions. To-date, about S\$15,000 from the Fund has been disbursed to assist needy taxi drivers. In addition to helping its taxi drivers, ComfortDelGro Taxi also helped with the educational fees of their children. In 2017, 1,268 Primary and Secondary level students received over S\$172,300 worth of study achievement awards.

To cater to the demand from a larger pool of Taxi Driver's Vocational Licence (TDVL) and Private Hire Car Driver's Vocational Licence (PDVL) applicants, the LTA appointed ComfortDelGro Taxi as the new TDVL and PDVL training provider in November 2017. In just four months, over 9,700 applicants have completed the TDVL and PDVL courses.

Following the announcement of the Group's strategic agreement with Uber Technologies, Inc. (Uber) on 8 December 2017, ComfortDelGro Taxi and Uber launched UberFLASH on the Uber App on 19 January 2018. With it, Uber App users can book a ComfortDelGro taxi just like they would an uberX vehicle. One month after the launch, average earnings of ComfortDelGro taxi drivers who actively took on such jobs had increased by 19%.

Automotive Engineering Services

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

The taxi maintenance business slowed during the year as a result of the reduced fleet.

As ComfortDelGro Taxi rolled out more Toyota Prius petrol-electric taxis on the roads, ComfortDelGro Engineering upgraded its Marymount kiosk to include the sale of petrol. This is the first time the Group has petrol

pumps on its premises. With more hybrids joining the fleet, more pumps are expected throughout ComfortDelGro Engineering's kiosks. To improve efficiency, integrated e-payment systems were installed at each dispenser at the two kiosks.

Two years after adopting the predictive maintenance approach, where parts are replaced before they reach the end of their lifespan – taxi breakdown rates have dropped by 13 percentage points. Maintenance downtime was also reduced by 12%. As a result of these efforts, 98% of hirers surveyed by the Company indicated that they were satisfied with the service provided, up from 96% the year before.

In the area of bus maintenance, ComfortDelGro Engineering allocated more space to cater to increased demand.

During the year, ComfortDelGro Engineering's external car care business successfully secured 31 new accounts. In May 2017, it became Singapore's exclusive distributor for Davanti Tyres from the United Kingdom to augment the other tyre brands from Europe and Japan that were already sold at SPARK™ Car Care. It also completed spraying painting and livery work for 978 vehicles for the contracts it had with Borneo Motors (Singapore) Pte Ltd and Singapore Power Ltd.

Inspection & Testing Services

2017 was a challenging year for VICOM Ltd as increased global economic uncertainty, increased competition and the cyclical nature of vehicle de-registrations – driven by the Certificate of Entitlement (COE) system – weighed on performance.

Vehicle de-registrations hit a record high of 120,376 during the year, with more commercial vehicles and taxis taken off the roads. This, together with the enhancement of the Early Turnover Scheme (ETS) which was aimed at getting older, more pollutive diesel commercial vehicles off the roads, resulted



in a 4% drop in total inspections to 468,807.

The Vehicle Assessment Centre (VAC), which provides accident reporting services, filed 14,236 cases last year, an increase of almost 6% over the previous year.

Following two very high-profile explosions involving Compressed Natural Gas (CNG) taxis, the LTA decided to recall all CNG taxis and public buses for an urgent two-day inspection in May 2017. In Phase 2 of the exercise, CNG passenger car owners were given two weeks to have their vehicles inspected in June 2017. In all, VICOM inspected over 450 taxis, 1,140 CNG passenger cars and 12 public buses. VICOM also undertook the task of installing tamper-evident decals on private hire vehicles.

The co-brand partnership with Diners Club Singapore grew from strength to strength and culminated in the official launch of the Diners VICOM co-brand card, "V". Further cementing V as Singapore's motoring card was VICOM's partnership with popular auto-related brands such as Bridgestone Tyre Singapore and CARS International. The Esso Fuel Card, coupled with V, was popular among cardholders as they get to enjoy fuel discounts of up to 21.27%.

To improve the experience of its corporate fleet customers, VICOM launched the VICOM Solution for Inspection Requirements or V-SIR. This new digital service sends reminders to fleet owners via a self-managed portal so that they will not miss any inspections with VICOM. Complementing V-SIR was the introduction of e-Pay, an easy-to-use payment solution that enables customers to pay for the vehicle inspections with a few taps of the Automated Payment Machines.

Despite stiff competition, VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO) secured several notable projects both locally and internationally during the year, thanks to its strong track record.

It undertook a one-year term contract for the testing of sand and granite from the Building and Construction Authority and completed a shutdown project at one of the chemical plants in Jurong Island. It had a remote test laboratory set up at the Changi Terminal 5 site to support earthwork and pavement testing as well as soil, concrete, chemical and environmental testing for its clients involved in the construction of a three-runway system.

SETSCO also set up a wholly-owned subsidiary, SETS Services

DMCC, in Dubai, United Arab Emirate (UAE) to perform glass inspections there. The scope of work, which commenced in January 2017, involves the inspection of glass panels for nickel sulphide inclusions of the external glass facades of Gold Tower and Silver Tower, office buildings located in Cluster I of Jumeirah Lake Towers, Dubai.

To broaden SETSCO's reach, two new services were launched in 2017 - consultation and certification services. These services address industry gaps where ad-hoc advisory and consultative services are frequently required. With the successful attainment of ISO/IEC 17021-1:2015, SETSCO is now able to offer a wide range of certification services to companies which seek compliances to the requirements of different management systems such as ISO 9001, ISO 14001 and ISO 18001.

More details can be found in VICOM's 2017 Annual Report.

Driving Centre

ComfortDelGro Driving Centre Pte Ltd, which provides learner driver training services in Singapore, achieved a 3% increase in enrolment in 2017.

During the year, new initiatives were implemented to enhance learners' experience. ComfortDelGro



Driving Centre installed self-service kiosks within its premises to enable learners to top up their store-value accounts to book for lessons.

ComfortDelGro Driving Centre also introduced the Learner Driver Competency Screening (LDCS) in September 2017. The LDCS is a practical lesson conducted using the Driver Assessment Tool, which comprises an in-vehicle logging system, cameras and advanced sensors. The system records a learner's performance and videos are then reviewed to provide constructive feedback to learners.

From 2019, all motorcar and motorcycle learners will have to undergo simulator training. In preparation of this, ComfortDelGro Driving Centre commenced renovation works on its existing office space in November 2017 to accommodate the new Simulator Centre.

ComfortDelGro Driving Centre also worked with the Traffic Police on a number of collaborations including the integration of the e-Provisional Driving Licence. It

plans to integrate the e-Qualified Driving Licence into the Traffic Police's elite system in 2018.

Car Rental & Leasing

Our car rental & leasing subsidiary, ComfortDelGro Rent-A-Car Pte Ltd operates a fleet of 1,071 cars, of which 150 were brand new.

With many corporate clients still maintaining a tight budget, ComfortDelGro Rent-A-Car focussed on promoting longer term contracts at attractive rental rates for existing used vehicles. It also continued to push out differentiated customer retention programmes on a quarterly basis.

As part of advertising efforts, ComfortDelGro Rent-A-Car organised nine road shows that were targeted at individual and corporate clients alike.

In October 2017, ComfortDelGro Rent-A-Car entered into a three-month agreement with Car Club, Singapore's leading car-sharing operator, for 10 rental cars on a consignment basis. In return, ComfortDelGro Rent-A-Car received

a portion of the monthly revenue for the Club members' usage.

To increase productivity and improve customer service, the Company plans to put in place an online scheduler system by early 2018 that will better facilitate appointment bookings and improve after-sales services. The system is also able to generate back-end productivity and trends reports for a more targeted marketing approach.

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd, our in-house insurance broking arm, continued to perform well in 2017. In Singapore, ComfortDelGro Insurance Brokers is focussed on providing general insurance broking services, risk management and analytics, employee benefits consultation, cost effective medical insurance as well as holistic wellness solutions to the Group and its external clients.

During the year, ComfortDelGro Insurance Brokers entered into a strategic alliance with a cyber security provider in Singapore

to offer cyber security related consultancy, products and services in terms of risk assessment, protection and incident recovery. This strategic alliance provides its enterprise customers with “cyber health check-ups”, which identifies existing or potential weaknesses in their IT systems, and enables them to put effective risk mitigation and insurance solutions in place.

ComfortDelGro Insurance Brokers also worked closely with Group Human Resource Department and external insurers to provide free basic health screening to staff. Staff diagnosed with high blood pressure, high cholesterol and diabetes were then encouraged to go through a free Chronic Disease Management Programme to help them work on how they could improve their medical conditions and lead healthier lives.

Elsewhere, 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.

In the first quarter of 2018, ComfortDelGro acquired the remaining 51% stake in ComfortDelGro Insurance Brokers, making it a wholly-owned subsidiary.

Outdoor Advertising

In 2017, there was an increase in bus and rail assets for Moove Media Pte Ltd’s advertising portfolio thanks to SBS Transit’s successful tender for the Seletar Bus Package and the opening of DTL3 respectively.

With the implementation of the two-third rule for bus wraps in February 2017, Moove Media came up with an out-of-the-box concept. Called the BIG Top concept, it is a U-shaped aluminium panel that is seamlessly welded and installed on top of a single deck bus. This concept provides additional advertising space on the sides and rear of buses. Moove Media had the BIG Top concept successfully patented. During the year, a total of 40 advertising campaigns were executed on 252 BIG Top buses.

Apart from BIG Top buses, another client, ExxonMobil Singapore, also tapped on Moove Media’s Ignite Bus format for the launch of its newly improved fuel – Synergy Supreme+. These buses have sides that are lit up by electroluminescent panels to create more visibility at night.

With consumers spending more time on their mobile devices, Wi-Fi Bus format was the third concept that Moove Media introduced during the year. The British Broadcasting Corporation was the first client to roll out two of such Wi-Fi buses, with CIMB Bank Singapore following suit in a campaign utilising 10 bus services.

Moove Media countered the drop in the number of taxis available for advertisements by weaving in promotion codes, and offering special two- and three-dimensional (3D) taxi tops as well as taxi bumpers to their clients.

Always at the forefront of technology, Moove Media introduced technological innovations like the use of holographic 3D displays in its advertisements. This means that advertisements appear to be suspended in mid-air and consumers are able to view products even

though they are not physically on display.

To commemorate NS50, Moove Media teamed up with the Ministry of Defence’s creative agency, Formul8, to roll out 50 army-themed buses. Of these, half featured a 1.8-metre tall “mobilisation man” on the rooftops. Buses were also wrapped in pixelised patterns similar to that of a standard Singapore Armed Forces uniform.

Moove Media also collaborated with the Health Promotion Board to issue 12,000 unique taxi promotion codes to individuals who completed the Diabetes Risk Assessment, which identified potential risks of developing diabetes. Response was so overwhelming that promotion codes were fully redeemed within two weeks.

Moove Media continued to partner and work closely with the Authorities to roll out festive-themed trains and buses, including the Chinese New Year- and Christmas-themed trains on the NEL, Deepavali-themed trains on the NEL as well as DTL. These trains continued to be well-received by commuters.



UNITED KINGDOM

Aberdeen, Cardiff, Glasgow, Liverpool, London, Newport, Swansea

BUS, COACH, TAXI RADIO CIRCUIT, PRIVATE CAR HIRE

855.2

Revenue (S\$mil)

7,969

Total operating fleet size

5,762

Total number of employees

London, England

Bus

In the United Kingdom (UK), our wholly-owned subsidiary, Metroline Limited, maintained its position as the second largest bus operator in London with a fleet of over 1,900 buses, plying routes mainly in North, West and Central London. It runs 19% of London's scheduled bus mileage.

Following the successful trial of a fully electric double deck bus at Willesden Garage in 2016, Metroline won the contract to operate the existing Route 46 using 23 fully electric single deck buses. In preparation, Metroline has increased its electrical power and is installing charging units in Holloway Garage.

Metroline is a frontrunner in the adoption of Green vehicle technology, with more than 20% of its fleet made up of double deck hybrid buses, including the 165 hybrid double deck vehicles it had taken delivery in 2017. At the request of Transport for London, it started working on hydrogen-powered buses.

The Metroline Centre for Skills and Development was also launched during the year to provide a more structured training environment for staff. Plans are in the pipeline to conduct development courses from Management to apprentice levels as well as office and administration-related training.

Metroline's standing as a superior bus operator was given recognition in 2017 when Willesden Garage was shortlisted as a finalist in the "Best London Bus Garage" category at the UK Bus Awards.

Coach

Based in London, Westbus Coach Services Limited provides executive coach services across the UK



and mainland Europe, catering to a wide spectrum of school, commuter, tourist and corporate coach passengers.

To mitigate the drop in tourist arrivals from China and Japan, Westbus diversified its passenger base to include tours from Europe, corporate and private hire, cruise ship passenger transfers, school and student travel, as well as home-to-school services.

Taxi Radio Circuit

ComfortDelGro's wholly-owned subsidiary, Computer Cab plc (operating under the 'ComCab' brand), is London's largest black taxi operator with a fleet of 1,839 taxis.

Taxi and private hire operations in London continued to come under pressure due to intense competition and continued uncertainty post-Brexit with many corporate customers keeping a tight rein on discretionary spend.

Despite that, CityFleet Networks kept up with its technological investments in 2017 to maintain a competitive edge. It enhanced its booking systems and apps with many new market leading features. The international booking service offering was also enhanced by allowing bookings to be done via a responsive website and mobile apps.

Private Car Hire

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

Liverpool, England

Taxi Radio Circuit

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 359 black cabs, catering to both the corporate and individual clientele. It had a successful year with the retention of key accounts and the award of a new Isle of Man contract. The three-year contract

involves transporting patients from Liverpool and Manchester airports to Merseyside hospitals for treatment with some travel to and from hospitals further afield.

Glasgow, Scotland

Coach

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

During the year, Scottish Citylink became the first national operator to roll out contactless payments across its entire fleet in December 2017. The new technology, which was launched as part of a £12 million (\$21.3 million) Stagecoach programme, enables passengers across the UK to pay for their travel using a contactless credit or debit card, as well as Apple Pay and Android Pay.

Scottish Citylink continued to face increased fare competition from low-cost domestic airlines and heavy discounting from other coach and rail operators. To maintain its competitive edge, Scottish Citylink removed unproductive lines and improved its cross-border connections. For example, it withdrew the Glasgow-Liverpool-Birmingham-London service in July 2017 and introduced a slightly faster service on the Edinburgh-Glasgow route in the same month.

To provide passengers with the convenience of having an all-day connection from Glasgow City Centre to Edinburgh Airport, it extended the operating hours on the hugely popular Edinburgh-Glasgow service. It now operates round-the-clock.

To further enhance its services, it introduced more "Gold" services - coaches that come with luxury

leather seats and on-board refreshment. One of these services was the Edinburgh-Inverness connection, which is served by two Scania Irizar i6 luxury coaches that come with USB ports, leather seats and on-board toilets. It also equipped all its coaches on major routes with Wi-Fi.

Aberdeen, Scotland

Taxi Radio Circuit

Computer Cab (Aberdeen) Limited has the largest fleet of taxis in Aberdeen.

It continued to perform well despite the slowdown in demand from its major clients in the oil & gas sector. The Company worked closely with its drivers and expanded its passenger base to those not directly susceptible to the volatility in the market. The Company recently won a contract from Aberdeen Performing Arts that gives its taxis access to the three main entertainment venues in the City.

Cardiff, South Wales

Bus and Coach

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

NAT Group operates a fleet of 117 buses and coaches across four depots in Cardiff, Swansea, Newport and Pontypridd. Based near the City Centre of Cardiff, it operates commercial and contracted scheduled bus services. It also has a fleet of coaches, which operates on local contracts, as well as UK and European private hire and holiday work. It also offers transport services to professional sports teams including Swansea City Football Club, Newport County Team and Supporters and Cardiff City Supporters.

AUSTRALIA

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

BUS, TAXI, OUTDOOR ADVERTISING

423.6

Revenue (S\$mil)

3,350

Total operating fleet size

2,376

Total number of employees

Sydney, New South Wales

Bus

We operate bus services in Sydney, New South Wales (NSW) through ComfortDelGro Corporation Australia Pty Ltd (CDC), which became a wholly-owned subsidiary in February 2017.

Following in the footsteps of SBS Transit, CDC implemented the Mobileye system on all its buses in Region 4 in July 2017. As a result, both the accident rate and corresponding repair costs dropped.

Other key performance indicators in Region 4 such as On Time Running (OTR) also showed marked improvements as CDC put in processes to improve its drivers' performance and added resources to increase the turnaround time of trips.

During the year, CDC, in partnership with Transdev Australasia Pty Ltd (Transdev), successfully secured the Epping to Chatswood rail replacement project, which will run about seven months, commencing in the last quarter of 2018.

CDC also renewed a few existing contracts, including an additional three-year charter with Singtel Optus Pty Limited, as well as the nightride contract. The latter, which runs from 1 March 2018, will add three additional routes to the current Hillsbus contract. Both contracts are expected to boost revenue.

CDC also revamped its website during the year and started a Facebook account in March 2017 to reach out to more customers.

In independent surveys conducted by Transport for New South Wales (TfNSW), all of CDC's NSW contracts maintained their high ratings in 2017. Customer satisfaction for Hillbus also continued to exceed the regulatory benchmark of 85%.

As part of a number of NSW Government efforts aimed at revolutionising public transport, CDC partnered Cabcharge Pty Ltd for an on-demand bus trial in February 2018. The six-month trial involves four



11-seater wheelchair accessible minibuses, and state-of-the-art-technology which is being developed by CDC. The buses serve the Carlingford, North Rocks and Epping areas during the morning and evening peak hours. As part of the trial, a new website and app were also launched, enabling customers to book trips at a flat fare, with payment being made via the secured app.

Outdoor Advertising

Demand for Moove Media Australia peaked in the third quarter of 2017 with several of its bus advertising formats sold out for consecutive months. Additional bus advertising sales opportunities were also created through the Company's collaboration with Transdev in Sydney and the TSA Regions for 2017.

To improve productivity, a new Customer Relations Management software solution was introduced in 2017 to help the Company manage all its sales and marketing proposals. A new Booking

Management System was also developed to better track booking allocations and invoices.

In October 2017, Moove Media Australia won the exclusive advertising rights to offer taxi advertising packages with Swan Taxis Limited in Perth, Western Australia.

Blue Mountains and Hunter Valley, New South Wales

Bus

During the year, CDC successfully re-negotiated and secured contracts in the Blue Mountains and the Hunter Valley. The extended contracts will commence in 2018 and expire in 2020, with an option for a one-year extension to 2021.

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

Queanbeyan, New South Wales

Bus

The Qcity and Transborder fleet of 116 buses carries over 1.5 million

passengers annually. Qcity Transit provides route and school bus services to the community of Queanbeyan in NSW. Queanbeyan is located on the Eastern Border of the Australian Capital Territory, and is 15km from the centre of Canberra, Australia's capital. Transborder Express delivers route and school bus services to the community of Yass, with direct services operating between Yass and Canberra.

Both Qcity and Transborder Express operate services under the Rural and Regional Contracts with the NSW Government. These contracts were renewed in 2017 and will be due for subsequent renewal in 2024.

Melbourne, Victoria

Bus

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

On 29 January 2017, CDC successfully implemented a transformational network change in Ballarat – the first in 10 years.

As a result, 19 routes were simplified to 15 – with an increase in coverage no less! The new services now operate in areas which were previously unserved by public transport. Frequency to selected routes was also further improved, with services operating every 30 minutes. As such, a 50% increase in the number of drivers was needed to handle the growth in demand. The transformation has translated to nearly 20% growth in the number of contract buses, and over 30% increase in revenue growth.

CDC currently operates five Metropolitan contracts that represent around 65% of its total revenue. The contracts are due to expire on 30 June 2018. At the time of this printing, CDC is negotiating a renewal of these contracts.

As a leading company in the industry, CDC continued to innovate by coming up with several industry firsts. One of them was Mobileye – the same safety system that was implemented in CDC buses in NSW – was also implemented in CDC buses in Victoria.

The other was the fleet-wide installation of an automated voice announcement system. The voice announcement, which is triggered by the opening of the front door of the bus, reminds passengers to pay their bus fares. The system has not only reduced the incidence of fare evasion but also improved customer service. In all, the two systems represented a capital expenditure of nearly A\$1 million (S\$1.06 million).

CDC operates Route 601, the busiest bus route in Victoria that connects Huntingdale Train Station and Monash University. Given the strong demand for this popular route, CDC boosted the capacity of the route by 11% through the replacement of the front seats of the Route 601 fleet with more handrails and hand holds.

As a community-focussed bus operator, CDC upped its Green quotient in 2017 through a bus-led sustainability project to green the

Werribee River Parklands in the West of Melbourne. Sustainability efforts were also ramped up through an initiative to introduce hybrid buses in Melbourne. CDC has proposed to replace its diesel buses with the Volvo Euro 6 hybrid buses. If this proposal is accepted by the Government, our Melbourne fleet will boast the largest number of hybrid buses in Australia.

On 11 December 2017, CDC moved its office in Altona to Wyndham Depot in Truganina, West of Melbourne. This mega depot, which was completed in the third quarter of 2017, holds up to 230 buses. It replaces the existing facilities at Altona and Hoppers Crossing, and went fully operational on 8 January 2018. A grand opening ceremony of the Depot will take place by the end of the first quarter of 2018.

Perth, Western Australia Taxi

In October 2017, we announced that Swan Taxis Pty Ltd had expanded its fleet by acquiring Metro WA Taxi Management Pty Ltd (Metro Taxi), the largest taxi management company in Perth. It marked Swan Taxis' entry into fleet management and ownership and is expected to provide the Company with greater control over its driving fleet as well as additional revenue streams.

Amidst a highly competitive environment, Swan Taxis carried out different initiatives throughout the year.

For example, it offered the Flat Fare option via the ComfortDelGro Swan Taxis App in July 2017. The Flat Fare option offers passengers the certainty of the fare upfront, with no hidden add-ons and no sky-high surge prices. Customer reception has since exceeded expectations – flat fare bookings currently accounts for approximately 54% of all App bookings.

Promotion codes, which were initially slow to gain traction, became more popular after further

enhancements such as alternative payment methods, were made to the App. Its last promotion run for the Melbourne Cup saw a high redemption rate of 98%.

To further improve its service levels, Swan Taxis' call centre also started offering callers an amalgamated booking and payment solution enabling passengers to book and pay for their rides in advance. Callers are quoted a flat fare for the bookings and are able to pay it immediately with their credit cards over the phone. Passengers have given positive feedback about this service as it had given them added security where fares and payments are concerned.

The Colour Taxis Scheme that Swan Taxis rolled out in November 2016 continued to be well-received, particularly its “white” taxis that are driven by taxi drivers who are 55 years old and above, and “pink” taxis that are driven by female taxi drivers for female passengers. Equally popular are the “blue” taxis, which are driven by taxi drivers who are able to assist children unaccompanied by adults. These have also been adopted by a number of corporate clients involved in aged care.

During the year, Swan Taxis, which operates “Easy Access”, a service dedicated to passengers who are wheelchair users, provided lifting fee subsidies to cabbies, amounting to an estimated A\$432,000 (S\$450,576). It also reduced rank fees and eliminated equipment hire for those affiliated with the Company for more than five years.

For the year ahead, Swan Taxis is collaborating with Moove Media Australia to ramp up outdoor advertising as another revenue stream for both the Company and its taxi vehicle owners. As part of the initiative, taxi vehicle owners receive a share of advertising revenue as a reward for displaying advertising messages on their vehicles.

CHINA

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

BUS STATION, TAXI, CAR RENTAL & LEASING,
VEHICLE INSPECTION & TESTING SERVICES, DRIVING CENTRE

179.2

Revenue (S\$'mil)

11,230

Total operating fleet size

958

Total number of employees

NORTH CHINA

Beijing Taxi

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

To get operators to keep investing in newer and environmentally friendly vehicles, the Government has introduced subsidies for all taxis that are replaced before they reach seven years of age. Taking advantage of this ruling, Beijing Jin Jian replaced 842 such taxis during the year with new Hyundai Elantras. It also started trialling new Chang An Yi Dong taxis.

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

In May 2017, the new rules aimed at regulating third-party booking apps came into effect. These new rules, imposed by the Beijing Municipal Government, required ride-sharing companies to hire only drivers who hold Beijing residency permits or "Hukou". App companies must also sign labour contracts with the drivers and provide them with motor accident insurance. Stringent restrictions have also been placed on drivers of such apps including the fact that they must 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.

With these regulations in place, the Company is hopeful that the taxi industry will stabilise in 2018.

Vehicle Testing Services

Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd, our 80%-owned joint venture, provides vehicle safety and emission testing services in the Capital City.

The Company, which started to assist vehicle owners in the registration of new vehicles, saw volume increase during the year. To make it more convenient for these car owners, Beijing Tian Long Da Tian provided a new vehicle tax collection service and set up a sales point for car insurance agents.

Always leveraging on technology, its inspectors started to use tablets during inspection checks to enable them to record their findings electronically. The Company also set up corporate accounts for customers on WeChat to facilitate cashless payments, as well as reservation of inspection slots. These WeChat accounts also make it easy for vehicle owners to fill in their vehicle information.

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 2017, its fleet of 729 taxis was fully hired out.

The Company replaced 21 taxis and renewed 21 licences during the year.

It launched the Jilin ComfortDelGro Taxi Booking App on both iOS and Android systems in the last quarter of 2017. The interface is almost the same as the ComfortDelGro App in Singapore

except it is in Chinese, and enables passengers to tip the cabbies. It also offers cashless payment options including WeChat and Alipay.

Jilin ComfortDelGro taxi also adapted the Driver App for its taxi drivers to enable them to bid for booking jobs via the App, and to use it to notify passengers of their arrivals. Similarly, this App allows taxi drivers to arrange for cashless payments via WeChat or Alipay that passengers have to activate and authorise.

Similar to what Beijing had done, the Jilin Municipal Government plans to issue detailed implementation policies aimed at regulating third party app bookings. Once these regulations are in place, the Company is hopeful that the taxi industry will stabilise in 2018.

Shenyang, Liaoning Province **Taxi**

Our two taxi companies – Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd – operate a total fleet of 1,291 taxis. Demand for services by both companies remained strong with their fleets of taxis fully hired out in 2017.

Training on safety and service was provided to taxi drivers to improve their service levels. Management also 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 their efforts, a total of 420 taxi drivers from both taxi companies were commended by the Shenyang Transportation Bureau.

With the introduction of new policies to govern third-party apps by the Municipal Government, the Company was able to retain more taxi drivers. It also rolled out different rental packages to cater to different taxi drivers.

In the first quarter of 2018, the Group acquired 217 taxi licences and vehicles from Shenyang Tian Wen Taxi Co., Ltd, bringing its total fleet in Shenyang to 1,508.

WEST CHINA

Chengdu, Sichuan Province **Taxi**

Our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd faced a challenging year in 2017 due to the proliferation of third-party apps. With the Government planning to implement a new National Order to regulate third-party apps within the next two years, the Company hopes that it will create a level playing field for its taxi drivers.

During the year, taxi licence fees that were waived by the Government were passed on to the taxi drivers in the form of cash rebates in 2017.



Car Rental & Leasing

ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd, the Group's wholly-owned motor vehicle rental and leasing subsidiary continued to explore both offline and online marketing strategies to improve rental demand.

Driving Centre

It was a challenging year for our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd as competition remained stiff.

To further enhance its value proposition, the Company introduced mock test training to prepare students ahead of actual tests. To cater to students who have to take mock tests, a new test centre was opened at its premises. The School also introduced incentive schemes for private instructors to encourage them to sign their students up for this mock test. To cater to the increase, the School is looking to reactivate its old test site to increase its capacity to handle the volume.

A new policy on training by time and trip may be introduced in 2018. This may give the School an advantage over private instructors.

Chongqing

Driving Centre

Our 90%-owned subsidiary, Chongqing ComfortDelGro Driver Training Co., Ltd continued to ensure its remaining learners completed their driving courses for the year.

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.

With the discontinuation of the Volkswagen Santana Vista car model, the Authorities approved two other taxi models – the Volkswagen Santana Lavida and Volkswagen Touran – as they are well accepted and popular with both taxi drivers and commuters. Shanghai City

Qi Ai Taxi Services selected the Volkswagen Santana Lavida taxi model for its taxi replacement programme, with the Volkswagen Touran taxi as the alternative. A total of 50 five-year-old taxis are also due for replacement in 2018.

Despite the release of the much-awaited policy concerning third-party apps in October 2016, the shortage of taxi drivers remained a challenge in 2017. To ensure its taxis were rented out, Shanghai City Qi Ai Taxi Services continued to engage 'maiduan' drivers. To-date, 30 of them are renting its taxis.

Suzhou, Jiangsu Province

Taxi

Our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd started the year with some unhired taxis in its fleet of 165 vehicles but managed to renew the rental agreement of all of them before the year ended. Unfortunately, the Suzhou Authorities stopped releasing new taxi licences during the year due to stiff competition from the private hire operators.

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. About 90% of its fleet was hired out during the year.

SOUTH CHINA

Guangzhou, Guangdong Province

Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 10.5 million passengers in 2017, a 13.9% drop from the previous year due to strong competition from the high speed rail service, the growth of the car population and the persistence of illegal bus operations.

Cargo revenue increased by 16% in 2017 as compared to the year before, while the total number of cargo items dropped by 9.3%. The revenue share of the cargo business increased from 30% to 40%.

In 2017, the Station actively rented out idle space on its premises. Massage chairs and vending machines that sell drinks and telecommunication products have now become an additional stream of revenue.

Tapping onto technology, the Station introduced electronic invoices which not only improved productivity, but also shortened the waiting time at the Station since passengers could print their invoices in advance. Ten self-service gates for checking tickets were also added to speed up the process. On top of the existing automated cash ticketing machines, another 14 more were added, bringing the total to 29. It also added seven and 15 ticketing machines that accept Alipay and WeChat payments respectively to improve efficiency.

New bus services were added to theme parks and places of interest in 2017 to expand its product range. To-date, the Station has developed 15 such services, yielding 31,000 tickets.

Two automated bus despatch systems were put on trial in October 2017. Another five of the same system will be implemented in March 2018.

During the year, Tianhe Bus Station garnered more than 2.7 million followers on WeChat, which is nearly three times more than 2016. Through this platform, the Company was able to bring in advertising revenue of RMB1.3 million (S\$0.3 million).

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.

On 1 January 2017, as a result of protests by local taxi drivers following the legalisation of third-party apps in Nanning, the local Authorities instructed all taxi companies to lower their rental rates to help taxi drivers cope with the stiff competition from third-party apps. The Company did so and was successful in retaining its taxi drivers.

During the year, the Company replaced 130 taxis, and converted 283 petrol-driven taxis into dual-fuel taxis.

IRELAND

Cork, Dublin, Galway, Limerick

INTER-CITY EXPRESS COACH

20.2

Revenue (S\$mil)

25

Total operating fleet size

17

Total number of employees

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

On the back of strong economic growth, demand for services across all routes increased, in particular those offering direct services to Dublin Airport which has been experiencing rising passenger volumes over the last seven years. In 2017, a record-breaking 29.6 million passengers travelled through Dublin Airport on the back of an increase in long-haul traffic, and a robust performance from continental European routes.

The popular Limerick-Dublin Airport eireagle.com service turned two in February 2017. ComfortDelGro Irish Citylink also increased the frequency of two service routes and introduced a direct connection between Galway and Cork. It also made further improvements to its online booking facility.

Five new DAF Altano buses were added to the fleet during the year, and deployed on both the eireagle.com Galway-Dublin Airport route as well as the eireagle.com Limerick-Dublin Airport route. These coaches are not only wheelchair-accessible but have USB ports, free Wi-Fi and on-board toilets. To make coach rides even more attractive to passengers, at-seat power sockets were introduced on express routes.

Going forward, the Company expects to step up its online marketing campaigns with the appointment of a new digital marketing staff.



VIETNAM

Ho Chi Minh City

TAXI

6.8

Revenue (S\$'mil)

352

Total operating fleet size

141

Total number of employees

We consolidated our taxi operations in Ho Chi Minh City during the year and now operate just one company - Vietnam Taxi (Vinataxi). A total of 93 cabbies from ComfortDelGro Savico Taxi company joined Vinataxi as part of this move. Vinataxi also disposed 115 older taxis, thereby reducing the average age of its 352-strong taxi fleet to just 3.3 years old.

Vinataxi is ranked third in Ho Chi Minh City in terms of fleet size.

Despite stiff competition, Vinataxi successfully renewed its existing contracts to operate taxi services at major pick-up points in the City.

It also continued to roll out different packages to incentivise taxi drivers and attract new ones through advertisements and referral schemes. To retain existing drivers, for example, Vinataxi increased the bonuses for taxi drivers during the country's Chinese New Year by 16%.

The incentive bonus for taxi drivers who completed one year of their hiring contract and performed well was revised to VND 11 million (S\$668.69). Those who renewed their contracts for another year were also rewarded with incentives. Those who stayed on beyond the second year received a Seniority Bonus. New drivers who joined for at least six months were also rewarded as well. Since June 2017, ex-taxi drivers who re-joined the Company were given VND 1 million (S\$60.79) after completing three months of their contract.

Leveraging on technology, Vinataxi launched its taxi booking app for Android smartphones in September 2017 and the iOS version two months later. Users can choose to pay the normal metered or flat fares on the booking app. It also worked with Moca, a payment company, to provide QR code payments on board its taxis.

Aggressive marketing efforts also resulted in an increase in revenue from taxi advertisements.



MALAYSIA

Kuala Lumpur

AUTO LEASING, INSPECTION & TESTING SERVICES

2.6

Revenue (S\$'mil)

160

Total operating fleet size

41

Total number of employees

Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd, offers auto leasing services in Malaysia through a fleet of 160 vehicles. Established in 1996, it provides both short- and long-term leasing for a full range of passenger cars and light commercial vehicles. It is one of the leading auto leasing service providers for multinational corporations, especially those in the oil & gas, logistics and infrastructure industries. The Company specialises in dedicated telematics fleet management for clients with round-the-clock nationwide technical and roadside emergency assistance. Utilisation of our vehicles remained high in 2017.

Inspection & Testing Services

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



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 330 groups of investors, analysts and equity sales personnel over 180 meetings. The team also addressed queries from investors through emails, telephone calls and the online enquiry form.

Besides face-to-face office meetings and conference calls, we also participated in six investor conferences and non-deal roadshows in Singapore, Kuala Lumpur and Hong Kong. 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. Two post-results luncheons were organised where we met fund managers based in

Singapore after the full-year FY2016 results and the first half results for FY2017.

ComfortDelGro attracts active research coverage from sell-side analysts and the stock is now covered by 16 local and international research houses. More than 180 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.

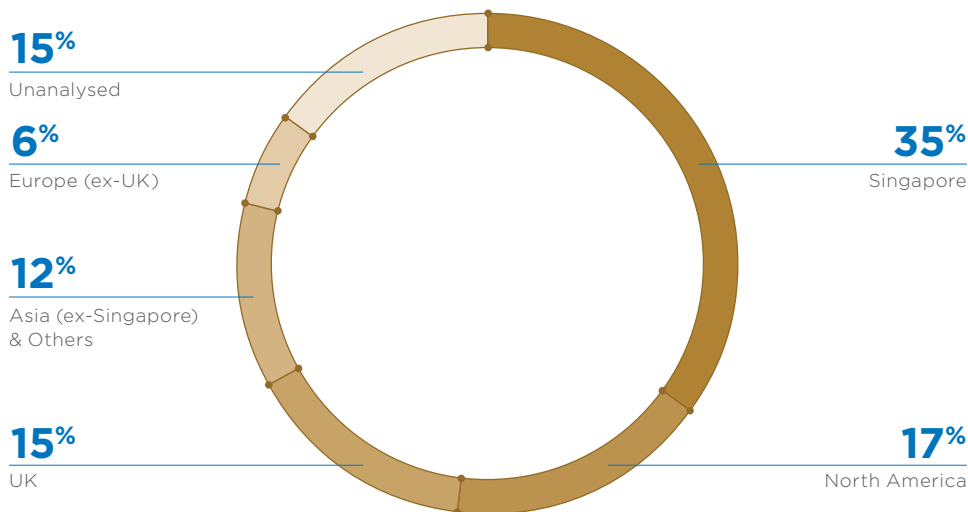
Shareholders have the opportunity to interact with the Board and Senior Management at our Annual General Meeting. Voting is by way of electronic polling for greater transparency in the voting process and the detailed results are announced immediately at the Meeting and subsequently released to the Singapore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

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

At the 18th Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2017 held on 19 September 2017, SBS Transit Ltd and VICOM Ltd both won the Transparency Award – Small & Mid 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 2017.

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

We will continue to:

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

CORPORATE GOVERNANCE STATEMENT

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

We adhere to the 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 2017, we are pleased to report that the Company complied in all material aspects with the principles and guidelines set out in the Code.

1. BOARD MATTERS

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

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 entrepreneurial leadership and guidance, setting strategic directions 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 controls, 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 ensuring that obligations to Shareholders and other Stakeholders are understood and met; and
- (vi) Considering environmental, social and governance issues as part of its strategic formulation on sustainability.

Reserved Matters

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

The Board periodically reviews the adequacy of internal controls and Financial Authority Limits to ensure that while there is delegation of authority, there are sufficient checks and balances in place to monitor such delegation. During the year, a review of the Financial Authority Limits was undertaken following the appointment of the new Managing Director/Group Chief Executive Officer (MD/Group CEO) on 1 May 2017.

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. During the year the terms of reference of the three mandated committees, namely the ARC, NC and RC,

were thoroughly reviewed following the appointment of the new MD/Group CEO on 1 May 2017. Among other changes, there is now a stronger focus on the role of the independent Directors, as well as for the RC to oversee talent management and succession planning for senior management staff.

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

Directors' Attendance at Board and Board Committee Meetings

At least five scheduled Board Meetings are held every year for the purpose of approving the release of the Financial Results every quarter and the Annual Budget. The Board Meetings to approve the Financial Results are held within 45 days after the end of each quarter

and the financial year, while the Board Meeting to approve the Annual Budget is held in December after all the Budgets of the subsidiaries have been approved by their respective Boards. Ad hoc Board and Board Committee Meetings are also held from time to time when the need arises. For instance in 2017, the Board had two additional meetings with the MD/Group CEO-designate and subsequently another meeting six months after his appointment. The NC also held additional meetings to review the appointment of new Directors.

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

Attendance of Directors at Annual General Meeting, Board and Board Committee Meetings in 2017

Name	Annual General Meeting	Board		Audit and Risk Committee		Nominating Committee		Remuneration Committee		Investment Committee	
	No. of 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	√	7	7	-	-	4	4	4	4	2	2
Yang Ban Seng ^d	√ ^g	5	5	3	3 ^a	2	2 ^a	2	2 ^a	2	2
Lee Khai Fatt, Kyle ^d	-	5	5	3	3	2	2	-	-	-	-
Ong Ah Heng	√	7	7	4	4	2	2 ^e	2	2 ^d	-	-
Oo Soon Hee	√	7	7	4	4	2	2 ^e	-	-	2	2 ^d
Sum Wai Fun, Adeline	√	7	7	4	4	-	-	-	-	2	2
Tham Ee Mern, Lillian ^f	-	4	4	2	2	-	-	-	-	2	1
Wang Kai Yuen	√	7	6	-	-	4	4	4	4	2	2
Wong Chin Huat, David	√	7	7	1	1 ^e	2	2 ^d	4	4	-	-
Tow Heng Tan ^b	√	2	1	-	-	-	-	2	2	-	-
Kua Hong Pak ^c	√	1	1	1	1 ^a	-	-	1	1 ^a	-	-

Notes:

- a) Attended meetings by invitation of the Committee
- b) Retired on 26 April 2017
- c) Stepped down on 30 April 2017
- d) Appointed on 1 May 2017

- e) Stepped down on 1 May 2017
- f) Appointed on 1 August 2017
- g) Attended in previous capacity as CEO of ComfortDelGro Taxi Business in Singapore

Induction and Training of Directors

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

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

Directors are encouraged to attend courses to update

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

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

Training provider

Topic

Singapore Institute of Directors	Audit Committee Essentials
Singapore Institute of Directors	Audit Committee Seminar
Singapore Institute of Directors	CG Guides for Boards & Boards Committees
Singapore Institute of Directors	Investor & Media Relations Essentials
Singapore Institute of Directors	Listed Company Director Essentials
Singapore Institute of Directors	Private Equity vs Public Markets
Singapore Institute of Directors	Risk Management Essentials
Singapore Institute of Directors	SID Directors' Conference
Wong Partnership LLP	Changes to Singapore Corporate Laws and Listing Requirements

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 nine Directors and there is a strong element of independence in the Board. Except for the MD/Group CEO who is an executive Director, all the remaining eight non-executive Directors (NED) are considered by the NC to be independent. Thus, 89% of the Board comprise independent Directors. This composition exceeds the Code's requirement of at least one-third of the Board to comprise independent Directors. The Company is not required to have at least half of the Board to be made up of independent Directors because the Chairman is independent. There is also no need to appoint a Lead Independent Director. The Chairman and the MD/Group CEO are not the same person and are not immediate

family members. The Chairman is also not part of the Management team. No person will be able to influence the decisions of the Board as the over-whelming majority of the Directors are independent NEDs.

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

As at 31 December 2017, six out of eight 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, Dr Wang Kai Yuen and Mr Wong Chin Huat, David. The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of service. A Director's 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 examines the size and composition of the Board and the Board Committees annually to ensure an appropriate balance and diversity of skills, experiences and gender and the size is conducive to effective discussion and decision making, with an appropriate number of independent Directors.

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

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

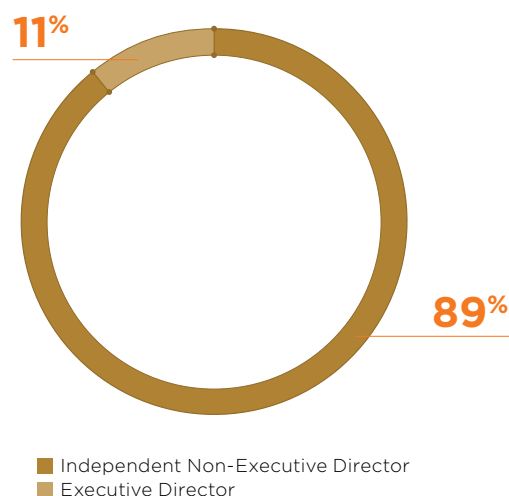
The Board recognises the merits of gender diversity in relation to composition of the Board and in identifying suitable candidates for new appointments to the Board would ensure that female candidates are included for consideration. In this respect, out of nine Directors on the Board, two of them or 22% are females. It is the intention to increase the number of female Directors to three in the future.

The Directors are individuals with leadership experiences in business, government and the labour movement and with a broad diversity of expertise and experience including accounting, finance, legal, information technology, 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.

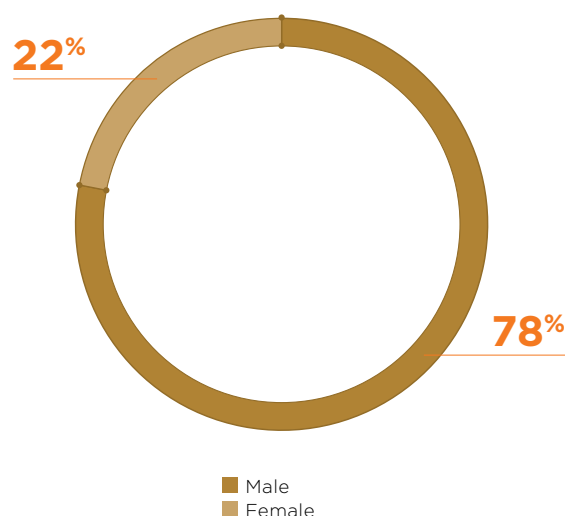
The NC is satisfied that the Board and Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, gender, knowledge and core competencies required for the Board and Board Committees to discharge their responsibilities effectively and ensure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

The individual profile of the Directors, their principal directorships and chairmanships held currently and their directorships and chairmanships held in listed companies

Independence



Gender



in the preceding three years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 18 to 21 and pages 68 to 70 of this Annual Report.

Non-Executive Directors' Participation

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

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

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

Principle 3:

Chairman and MD/Group CEO

Roles of Chairman and MD/Group CEO

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

The Chairman:

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

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

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

Lead Independent Director

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

Principle 4:

Board Membership

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

Nominating Committee

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 and Board Committees and contribution by each individual Director;
- (iii) Develop a process for evaluation of the Board's performance, including comparison with industry peers; and
- (iv) Make recommendations to the Board on the review of training and professional development programmes for the Board.

Multiple Board Representations

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

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

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

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

As a policy, the MD/Group CEO, being an executive of the Company, besides adhering to the guidelines set on the maximum number of board representations on listed companies, will also have to seek the approval

of the Chairman before accepting any directorships of companies not within the Group. In considering whether or not to grant the approval, the Chairman will consider the time commitment of the MD/Group CEO and whether the new external directorships will provide strategic fit and networking for the businesses of the Group. The Chairman will also ensure that the MD/Group CEO will not accept appointments to the boards of competitors.

As at 31 December 2017, 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 various channels, including recommendations of Directors and Management.
- (iv) Potential candidates are interviewed by the NC to assess suitability and commitment.
- (v) The NC makes recommendations to the Board for approval.

The 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 Ong Ah Heng and Mr Oo Soon Hee are due for re-election pursuant to Article 91 of the Articles of Association, while Mr Yang Ban Seng, Mr Lee Khai Fatt, Kyle and Ms Tham Ee Mern, Lilian are due for re-election pursuant to Article 97 of the Articles of Association. Mr Oo Soon Hee 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 2017, the NC conducted an evaluation of Board Performance which included key points on Board's composition, Board's contributions, contributions at Board Committees and conduct of proceedings and whether the Directors had discharged their duties effectively. The findings were then presented by the Chairman of the NC to the Board during its meeting for deliberation and discussion on possible areas for improvement to enhance overall effectiveness.

Principle 6: Access to Information Complete, Adequate and Timely Information

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

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

Company Secretaries

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

2. REMUNERATION MATTERS

Principle 7:

Procedures for Developing Remuneration Policies

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

Remuneration Committee

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

In accordance with the Code, the RC is composed entirely of four independent NEDs. Members of RC are independent of Management and also free from any business or other relationships, which may materially interfere with the exercise of independent judgement.

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

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

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

The RC has unrestricted access to the Group Human Resource Officer, who attends all RC meetings and provides the relevant market remuneration data and practices to the Committee. The RC may also seek external expert advice on such matters where needed. 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 Key Executives of the Group comprise fixed and variable components. The variable component in the form of year-end performance bonuses, forms a significant proportion of the remuneration packages and is dependent on the profitability of the Group and individual performance. Subject to market conditions and the operating environment, the Group targets a total compensation package with fixed to variable component ratios of 70:30 for Rank and File Employees, 60:40 for Middle Management staff and 50:50 for Senior Management staff. The Group believes that a higher proportion of performance related component would ensure greater alignment of interests of the employees with those of Shareholders and contributes to sustainable performance in the long-term. In addition, the remuneration of the MD/Group CEO is also tied to the return on Shareholders' funds vis-à-vis the weighted average cost of capital and the level of profitability achieved.

Short-term and Long-term Incentive Schemes

The ComfortDelGro Employees' Share Option Scheme expired in February 2013 and hence no option had been granted since then.

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

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

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

Remuneration of Non-Executive Directors

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

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

The NEDs of the Company were eligible for and had been granted share options under the ComfortDelGro Employees' Share Option Scheme. Like for the employees, the last grant of share options was on 20 June 2012. They will not participate in the proposed Share Award Scheme.

The Directors' fee structure for 2017 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 Executives

MD/Group CEO's remuneration:

Remuneration	The Group			Total Compensation S\$
	Salary S\$	Bonus S\$	Others S\$	
2017				
Yang Ban Seng ¹	455,000	682,211	15,796	1,153,007
Kua Hong Pak ²	400,000	315,000	8,670	723,670

Note:

1. Amount constitutes Mr Yang Ban Seng's remuneration as the MD/Group CEO from his appointment on 1 May 2017 to 31 December 2017.
2. Amount constitutes Mr Kua Hong Pak's remuneration as the MD/Group CEO for the period from 1 January 2017 to 30 April 2017. Mr Kua stepped down as the MD/Group CEO on 30 April 2017 and was appointed as Senior Advisor.

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

Remuneration	The Group
	2017 S\$
Lim Jit Poh ¹	650,822
Lee Khai Fatt, Kyle ²	62,761
Ong Ah Heng ³	113,500
Oo Soon Hee ⁴	94,283
Sum Wai Fun, Adeline ⁵	105,667
Tham Ee Mern, Lilian ⁶	39,682
Wang Kai Yuen ⁷	100,167
Wong Chin Huat, David ⁸	100,434
Tow Heng Tan ⁹	26,006

Note:

- Including Director's fees from SBS Transit Ltd and VICOM Ltd, listed subsidiaries of the Company and other subsidiaries.
- Amount constitutes Mr Lee Khai Fatt, Kyle's Director fees for the period from 1 May 2017 to 31 December 2017. Mr Lee was appointed a Director as well as a Member of both the Audit and Risk Committee and the Nominating Committee on 1 May 2017.
- Mr Ong Ah Heng stepped down as a Member of the Nominating Committee and was appointed a Member of the Remuneration Committee on 1 May 2017. Including Director's fee from ComfortDelGro Engineering Pte Ltd, a subsidiary of the Company.
- Mr Oo Soon Hee stepped down as a Member of the Nominating Committee and was appointed a Member of the Investment Committee on 1 May 2017.
- Ms Sum Wai Fun, Adeline a member of the Audit and Risk Committee was appointed the Chairman of the Audit and Risk Committee on 1 January 2017.
- Amount constitutes Ms Tham Ee Mern, Lilian's Director fees for the period from 1 August to 31 December 2017. Ms Tham was appointed a Director and a Member of the Audit and Risk Committee and the Investment Committee on 1 August 2017.
- Dr Wang Kai Yuen a member of the Remuneration Committee was appointed the Chairman of the Remuneration Committee on 1 January 2017.
- Mr Wong Chin Huat, David stepped down as the Chairman of the Audit and Risk Committee while remaining a member of the Audit and Risk Committee on 1 January 2017. Subsequently, Mr Wong stepped down as a Member of the Audit and Risk Committee and was appointed a Member of the Nominating Committee on 1 May 2017. Including Director's fee from SBS Transit Ltd, a listed subsidiary of the Company for the period from 1 January 2017 to 25 April 2017. Mr Wong retired as a Director at the conclusion of the SBS Transit Ltd's AGM held on 25 April 2017.
- Amount constitutes Mr Tow Heng Tan's Director fees from 1 January 2017 to 26 April 2017. Mr Tow stepped down as the Chairman of the Remuneration Committee while remaining a Member of the Remuneration Committee on 1 January 2017. Subsequently, Mr Tow retired as a Director at the conclusion of the Company's AGM held on 26 April 2017 and ceased to be a Member of the Remuneration Committee and the Investment Committee.

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

Remuneration band	The Group			Total Compensation %
	Salary %	Bonus %	Others %	
2017				
\$S\$1,000,000 to \$S\$1,249,999				
Choo Chek Siew	50.3	45.5	4.2	100
Gan Juay Kiat	41.8	54.2	4.0	100
Jaspal Singh	47.5	40.0	12.5	100
\$S\$500,000 to \$S\$749,999				
Sim Wing Yew	47.5	44.9	7.6	100
\$S\$250,000 to \$S\$499,999				
Ang Wei Neng	53.9	38.2	7.9	100

The total remuneration paid to these five Executives holding the key portfolios (who are not Directors or the CEO) amounts to \$4,219,215.

Remuneration of Certain Related Employees

During the Financial Year 2017, no key executive was an immediate family member of a Director or the MD/Group CEO and whose remuneration exceed \$50,000. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

3. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board has overall accountability to the Shareholders of the Company and ensures that the Group is managed well and guided by sustainable long-term strategic objectives. The Board is

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

The Group has 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. Executives are required to notify the Company upon disposal of shares arising from the exercise of options under the Employees' Share Option Scheme.

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 71 to 73 of this Annual Report.

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

For the Financial Year 2017, 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.

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

Principle 12: Audit and Risk Committee

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

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

- (i) Ms Sum Wai Fun, Adeline, Chairman of the ARC, is currently the Deputy CEO (Strategic Alignment) of NTUC Enterprise Co-operative Limited and Managing Director (Corporate Strategy) of NTUC Fairprice Co-operative Limited. She was the former CEO of the Singapore Labour Foundation. In addition to other academic qualifications, Ms Sum holds a Master of Business Administration (Accountancy) from the Nanyang Technological University.
- (ii) Mr Lee Khai Fatt, Kyle, Member of the ARC, is a Chartered Accountant. He was a former partner of Pricewaterhouse and PricewaterhouseCoopers LLP for 20 years including five years as a Practice Leader for Business Advisory Services.
- (iii) Mr Ong Ah Heng is a Trustee of the National Transport Workers' Union (NTWU). He was the former Assistant Secretary-General of the National Trades Union Congress (NTUC) and Alignment Director of the Care & Share Secretariat in NTUC and Executive Secretary of NTWU. He was the Member of Parliament for Nee Soon Central Single Member Constituency.
- (iv) Mr Oo Soon Hee, Member of the ARC, is currently a Director of Natsteel Holdings Pte Ltd. He was the former Executive Director of NSL Limited and former President and CEO of Natsteel Asia Pte Ltd.
- (v) Ms Tham Ee Mern, Lilian, Member of the ARC, is the Head of Operations & Technology (Asia Pacific) and Chief Operating Officer for Singapore at Schroder Investment Management (Singapore) Limited.

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

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

- (i) Risk identification and reviewing the adequacy and effectiveness of financial, operational, compliance and information technology controls and risk management systems to ensure effectiveness in the management of risks and compliance with internal policies and external regulations;
- (ii) Review the effectiveness of the Group's internal audit function;
- (iii) Review the quarterly and annual financial statements and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance and recommend to the Board the acceptance of such financial statements;
- (iv) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (v) Review Interested Person Transactions;
- (vi) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;
- (vii) Review and approve the annual audit plans of the Internal and External Auditors;
- (viii) Review and approve the Internal Auditor's three-year rolling work plans; and
- (ix) Review the effectiveness of the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on page 73 of this Annual Report.

Significant matters

Taxi vehicles, taxi licences and goodwill impairment review

Valuation and completeness of provision for accident claims

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) Terms of reference following the change of the MD/Group CEO on 1 May 2017;
- (ii) Overall scope of both internal and external audits and results of their respective audits;
- (iii) Significant internal and external audit observations and Management's responses;
- (iv) Quarterly and full year results announcements and the financial statements and recommendation to the Board;
- (v) Adoption of the Singapore Financial Reporting Standards (International);
- (vi) Adequacy of internal controls;
- (vii) Independence of the External Auditors; and
- (viii) Re-appointment of External Auditors and its remuneration and recommendation to the Board.

During the year, the previous GIAO retired and the ARC reviewed and approved the appointment of a new GIAO after taking into account his qualification and experience.

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:

Review of significant matters by the ARC

The ARC considered the approach and methodology applied to the valuation model for taxi vehicles, taxi licences and goodwill impairment assessment. Following the review and discussions with Management and the External Auditor, the ARC is satisfied that the key assumptions used in the impairment assessment of taxi vehicles, taxi licences and goodwill are reasonable.

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 2017.

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 SGXST 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. It provides an independent and objective evaluation of the internal control systems and Corporate Governance processes of the Group. The annual and three year rolling audit plans are developed by the GIAO in consultation with, but independent of, Management and are subject to the ARC's approval before the start of each financial year. Quarterly internal audit summary reports are also prepared and submitted to the ARC on the status of audits carried out. Any material non-compliance or lapses in internal controls are reported to the ARC and the MD/Group CEO for improvements to be made. The ARC has full access to the 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. The next Quality Assurance Review is scheduled for 2018.

4. SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14:

Shareholders Rights

Disclosure of Information to Shareholders

The Company notifies Shareholders in advance of the dates of release of its Financial Results through the Company's website as well as SGXNet. Communications with Shareholders is conducted through announcements to the SGXNet, media and analyst briefings after the announcement of the Financial Results, as well as the posting of announcements and press releases on the Company's website. 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 47 of this Annual Report.

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

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

Our Sustainability Report, which is 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 shareholder value, availability of cash and retained earnings, projected Capital Expenditure and growth opportunities. The Company declares dividend semi-annually and informs its Shareholders of the dividend payments via announcements in the SGXNet. Dividends are paid to Shareholders in an equitable and timely manner.

Principle 16: Conduct of Shareholder Meeting

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

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

Shareholders' queries about the conduct of audit and the preparation and contents of the Auditor's Report.

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

The 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 Corporate Governance accepted business practices and ethical standards and do not violate any applicable laws, regulations or policies of any country we operate in or company in which we have dealings with.

Anti-Corruption Policy

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

Block Leave Policy

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

Health and Safety Policy

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

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

Information Protection Policy

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

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

Data Protection Policy

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

Supplier Ethics Policy

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

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

Creditors' Payment Policy

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

Interested Person Transactions

Listing Manual – Rule 907

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

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

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 material aspect of the principles and guidelines of the Code.
	(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines in the Code?	Not applicable.

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, 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.
	(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. In relation to gender diversity, approximately 22% of the Board, or two out of the nine Board Members are female. There is intention to increase the number of female directors to three in the future.
	(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	Questions	How has the Company complied?
Guideline 4.6	Please describe the Board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) reelecting incumbent directors.	<p>For new Directors 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>For incumbent Directors 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. (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>Yes.</p> <p>Management will conduct a comprehensive orientation programme for newly appointed Directors, where key aspects of the businesses, including financial and corporate governance policies are discussed. Site visits will also be arranged for new Directors so that they can better familiarise themselves with the Group's operations. When a Director is appointed to a Board Committee, he/she is provided with its terms of reference.</p> <p>The Company Secretaries assist in professional development and training by regularly disseminating details of suitable seminars and courses organised by the Singapore Institute of Directors and arranging for the Directors to attend such courses when requested. The Company Secretaries also update the Board on corporate governance practices and circulate 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.

Guideline	Questions	How has the Company complied?
	(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.
Board Evaluation		
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 2017, the NC conducted an evaluation of Board Performance which included key points on the Board's composition, Board's contributions, contributions from Board Committees and conduct of proceedings and whether the Directors had discharged their duties effectively. The findings were then presented by the NC Chairman to the Board during its Meeting for the Board to deliberate on the findings and discuss possible areas of improvement to enhance the Board's overall effectiveness.
	(b) Has the Board met its performance objectives?	Yes. The Board was effective as a whole based on the overall assessment for 2017.
Independence of Directors		
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 nine Directors, of whom only the MD/Group CEO is an executive director. All the eight remaining Directors are considered by the NC to be independent during the Financial year 2017. 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, 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 2017. 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.

Guideline	Questions	How has the Company complied?
Disclosure on Remuneration		
Guideline 9.2	Has the Company disclosed each director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes, disclosures are made in accordance with the Code.
Guideline 9.3	(a) Has the Company disclosed each key management personnel's remuneration, in bands of \$250,000 or in more detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	Yes, disclosures are made in accordance with the Code.
	(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not directors or the CEO).	Yes, disclosure is made in accordance with the Code.
Guideline 9.4	Is there any employee who is an immediate family member of a director or the CEO, and whose remuneration exceeds \$50,000 during the year? If so, please identify the employee and specify the relationship with the relevant director or the CEO.	Nil.
Guideline 9.6	(a) Please describe how the remuneration received by executive directors and key management personnel has been determined by the performance criteria.	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. The annual performance incentive is linked to the Group's and the individual's performance. The Performance Scorecard is used to measure both financial and non-financial performance of key executives. The individual's scorecard performance areas are linked to the overall strategic goals and objectives of the Group.

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 key executive's performance in four key broad areas of the Performance Scorecard, namely</p> <ul style="list-style-type: none"> a) Financial; b) Customers; c) Processes; and d) People Development.
	(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 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.
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) 2017, 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	Questions	How has the Company complied?
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 2017 are \$1.2 million and \$0.5 million respectively.
	(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.
Communication with Shareholders		
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?	Yes, the Company is committed to disseminating accurate and pertinent information to the Shareholders in a timely manner. In FY 2017, the Company held 180 meetings and conference calls with institutional investors and analysts. Besides face-to-face office meetings and conference calls, the Company also participated in six investor conferences in Singapore, Kuala Lumpur and Hong Kong. These provided access to a wide cross-section of institutional investors from around the world. 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 & Special Projects Officer are also listed on the page. All Shareholders also have the opportunity to interact and speak with the Directors and Senior Management at the Company's AGMs and thereafter.
	(b) Is this done by a dedicated IR 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 2017)	Past Directorships / Chairmanships in listed companies held over the preceding three years (from 1 January 2015 to 31 December 2017)	Principal Commitments
Lim Jit Poh Chairman (Non-Executive & Independent)	78	<p>Principal Directorships in the ComfortDelGro Group</p> <ul style="list-style-type: none"> • Beijing Jin Jian Taxi Services Co., Ltd • Comfort Transportation Pte Ltd • CityCab Pte Ltd • ComfortDelGro Engineering Pte Ltd • CityFleet Networks Limited • ComfortDelGro Corporation Australia Pty Ltd • Guangzhou Xin Tian Wei Transportation Development Co., Ltd • Metroline Limited • Swan Taxis Pty Ltd <p>Directorship in the SBS Transit Group</p> <ul style="list-style-type: none"> • SBS Transit Ltd* <p>Principal Directorships in the VICOM Group</p> <ul style="list-style-type: none"> • VICOM Ltd* • Setsco Services Pte Ltd <p>Other Companies</p> <ul style="list-style-type: none"> • Family Leisure Pte Ltd • NCI Golf Pte Ltd • Pasir Ris Resort Pte Ltd • SLF Leisure Enterprises (Pte) Ltd • Surbana Property Investment Pte Ltd • CapitaLand Township Development Fund Pte Ltd • CapitaLand Township Development Fund II Pte Ltd 	<ul style="list-style-type: none"> • Ascott Residence Trust Management Ltd* 	Nil

*Listed Company

Name	Age	Present Directorships / Chairmanships (as at 31 December 2017)	Past Directorships / Chairmanships in listed companies held over the preceding three years (from 1 January 2015 to 31 December 2017)	Principal Commitments
Yang Ban Seng Managing Director / Group Chief Executive Officer	62	<p>Principal Directorships in the ComfortDelGro Group</p> <ul style="list-style-type: none"> • Beijing Jin Jian Taxi Services Co., Ltd • Comfort Transportation Pte Ltd • CityCab Pte Ltd • ComfortDelGro Engineering Pte Ltd • CityFleet Networks Limited • ComfortDelGro Corporation Australia Pty Ltd • Guangzhou Xin Tian Wei Transportation Development Co., Ltd • Metroline Limited • Swan Taxis Pty Ltd <p>Directorships in the SBS Transit Group</p> <ul style="list-style-type: none"> • SBS Transit Ltd* • SBS Transit DTL Pte Ltd <p>Principal Directorships in the VICOM Group</p> <ul style="list-style-type: none"> • VICOM Ltd* • Setsco Services Pte Ltd • JIC Inspection Services Pte Ltd 	Nil	Nil
Lee Khai Fatt, Kyle Director (Non-executive & Independent)	66	<p>Other Companies</p> <ul style="list-style-type: none"> • Great Eastern Holdings Limited* • CapitaLand Mall Trust Management Ltd (Manager for CapitaLand Mall Trust*) • FEO Hospitality Management Pte Ltd (Manager for Far East Hospitality Trust*) • FEO Hospitality Trust Management Pte Ltd (Manager for Far East Hospitality Business Trust) • Great Eastern Life Assurance Company Limited 	<ul style="list-style-type: none"> • MFS Technology Ltd* 	Nil
Ong Ah Heng Director (Non-executive & Independent)	74	<p>Directorship in the ComfortDelGro Group</p> <ul style="list-style-type: none"> • ComfortDelGro Engineering Pte Ltd 	Nil	Nil
Oo Soon Hee Director (Non-executive & Independent)	74	<p>Other Company</p> <ul style="list-style-type: none"> • NatSteel Holdings Pte Ltd 	<ul style="list-style-type: none"> • NSL Ltd* • SIA Engineering Company Limited* 	Nil

*Listed Company

DIRECTORS' PARTICULARS

Name	Age	Present Directorships / Chairmanships (as at 31 December 2017)	Past Directorships / Chairmanships in listed companies held over the preceding three years (from 1 January 2015 to 31 December 2017)	Principal Commitments
Sum Wai Fun, Adeline Director (Non-executive & Independent)	49	Other Companies • Mercatus Co-operative Limited • NTUC Health Co-operative Ltd • Wavelink Co-operative Ltd	Nil	<ul style="list-style-type: none"> • NTUC Enterprise Co-operative Limited (Deputy Chief Executive Officer) • NTUC Fairprice Co-operative Limited (Managing Director)
Tham Ee Mern, Lilian Director (Non-executive & Independent)	49	Other Companies • Schroder Investment Management (Singapore) Ltd • Schroder Singapore Holdings Pte Ltd • SIMBL Nominees Pte Ltd • Schroder India Pte Ltd	Nil	<ul style="list-style-type: none"> • Schroder Investment Management (Singapore) Limited (Head of Operations & Technology for Asia Pacific and Chief Operating Officer for Singapore)
Wang Kai Yuen Director (Non-executive & Independent)	70	Other Companies • China Aviation Oil (Singapore) Corporation Ltd* • COSCO Corporation (Singapore) Ltd* • Cubee Pte Ltd • Ezion Holdings Ltd* • HLH Group Ltd * • Emas Offshore Ltd * • Great Source Pte Ltd • Waan Holdings Pte Ltd	<ul style="list-style-type: none"> • A-Sonic Aerospace Ltd* • Matex International Ltd* 	Nil
Wong Chin Huat, David Director (Non-executive & Independent)	69	Other Companies • CapitaMalls Malaysia REIT Management Sdn Bhd	<ul style="list-style-type: none"> • SBS Transit Ltd* 	<ul style="list-style-type: none"> • Ramdas & Wong Advocates & Solicitors (Consultant) • NTUC-U Care Fund Board of Trustees (Chairman)

*Listed Company

Risk management is an important and integral part of the ComfortDelGro Group's strategic planning and decision making process. The Group's Risk Management Framework provides a systematic process for the Business Units to identify and review the nature and complexity of the risks involved in their business operations and to prioritise resources to manage them. The Group is committed to enhance shareholder value through growth that is sustainable and profitable 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 80 to 157.

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.

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 review and management 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. Drills and exercises are conducted regularly, both internally and together 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 talent management and building management bench strength, succession planning, performance management, compensation and benefits, training and development, employee conduct and

supervision, as well as occupational health and safety. We ensure that 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 subsidiary. Together with external risk management consultants, we ensure sufficiency of insurance coverage and maintain an optimal balance between risks that are retained internally and risks that are placed out with underwriters.

Business Continuity

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

INFORMATION TECHNOLOGY RISKS

Information technology system failures are key risks for the Group since almost all the businesses rely heavily on information technology. This can take the form of a major system failure which can result in disruption of the business, loss of data or a security breach of our information technology systems. Information security 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 education for all staff, are reviewed and enhanced regularly.

COMPLIANCE RISKS

The Group keeps abreast and complies with all laws and regulations governing the conduct of business in the countries that it operates in. The businesses within the Group operate in a 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. 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

of significant risk events and propose mitigating measures and treatment plans. Non-compliance and recommendations for improvements are reported to the ARC, which reviews the effectiveness of the actions taken to mitigate the risks. 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.

SINGAPORE

Bus

ComfortDelGro Bus Pte Ltd

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

SBS Transit Ltd*

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

Taxi

CityCab Pte Ltd

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

Comfort Transportation Pte Ltd

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

Rail

SBS Transit Ltd*

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

Automotive Engineering Services

ComfortDelGro Engineering Pte Ltd

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

Inspection & Testing Services

VICOM Ltd*

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

VICOM Inspection Centre Pte Ltd

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

JIC Inspection Services Pte Ltd

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

SetSCO Services Pte Ltd

18 Teban Gardens Crescent
Singapore 608925
Mainline: (65) 6566 7777
Fax: (65) 6566 7718
Website: www.setsco.com
Email: 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
Email: 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
Email: info@cdc.com.sg

Car Rental & Leasing

ComfortDelGro Rent-A-Car Pte Ltd

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

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd

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

Outdoor Advertising

Moove Media Pte Ltd

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

CHINA

NORTH CHINA BUSINESS UNIT

Beijing

Taxi

Beijing Jin Jian Taxi Services Co., Ltd

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

*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 814
Email: dennislilm@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 814
Email: dennislilm@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 7858
Email: dennislilm@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: dennislilm@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: dennislilm@comfortdelgro.com

Chongqing

Driving Centre

Chongqing ComfortDelGro Driver Training Co., Ltd

No.2 Huo Ju Road
Jiu Long Park
Jiu Long Po District
Chongqing
Postal Code 400051
Mainline: (86) 23 8826 1888
Fax: (86) 23 8867 1059
Website: www.kfdgjx.com
Email: dennislilm@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

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

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
Email: 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.moovemediao.com
Email: advertising@moovemediao.com.sg

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
Email: bmtcustomerservice@cdcbus.com.au

ComfortDelGro Corporation Australia Pty Ltd

Hunter Valley Buses
Region 2
6 Glenwood Drive
Thornton
NSW 2322
Mainline: (61) 2 4935 7200
Fax: (61) 2 4966 8200
Website: [www.cdcbus.com.au/
Hunter-Valley-Buses.html](http://www.cdcbus.com.au/Hunter-Valley-Buses.html)
Email: customer.service@cdcbus.com.au

ComfortDelGro Corporation Australia Pty Ltd

Hunter Valley Buses
Region 4
8 Aluminium Close
Edgeworth
NSW 2285
Mainline: (61) 2 4958 2057
Fax: (61) 2 4958 2388
Website: [www.cdcbus.com.au/
Hunter-Valley-Buses.html](http://www.cdcbus.com.au/Hunter-Valley-Buses.html)
Email: customer.service@cdcbus.com.au

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
Website: www.transborder.com.au
Email: capitalinfo@cdcbus.com.au

Melbourne, Victoria

Bus
**ComfortDelGro Corporation
Australia Pty Ltd**
28 Prosperity Street, Truganina,
VIC, 3029, Australia.
Mainline: (61) 3 9977 9999
Website: www.cdcvictoria.com.au
Email: info@cdcvictoria.co.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
Email: 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
Email: 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
Email: 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
Email: info@comcab.co.uk

Private Car Hire

Flightlink International Limited
104 Cannon Workshops
Cannon Drive
London E14 4AS
Mainline: (44) 20 7537 4777
Fax: (44) 20 7987 2117
Website: www.comfortexecutive.com
Email: 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
Email: admin@comcab-liverpool.co.uk

Glasgow, Scotland

Coach

Scottish Citylink Coaches Limited

Buchanan Bus Station
Killermont Street
Glasgow G2 3NW
Mainline: (44) 141 352 4444
Fax: (44) 141 332 4488
Website: www.citylink.co.uk
Email: info@citylink.co.uk

Aberdeen, Scotland

Taxi Radio Circuit

Computer Cab (Aberdeen) Limited

Burnside Drive
Dyce
Aberdeen AB21 0HW
Mainline: (44) 1224 35 35 35
Fax: (44) 1224 722 727
Website: www.comcab-aberdeen.co.uk
Email: enquiries@comcab-aberdeen.co.uk

IRELAND

Galway, Ireland

Inter-City Express Coach

ComfortDelGro Irish

Citylink Limited
17 Forster Street
Galway
Mainline: (353) 91 564164
Website: www.citylink.ie
Email: info@citylink.ie

VIETNAM

Ho Chi Minh City

Taxi

Vietnam Taxi Co., Ltd

Tan Binh Industrial Park
Lot IV-15B Road 4
Tay Thanh Ward
Tan Phu District
Ho Chi Minh City
Mainline: (84) 8 3815 5152
Fax: (84) 8 3815 5158
Website: www.vinataxi.vn
Email: 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
Email: 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

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)	15 May 2017
Announcement of 2nd Quarter 2017 Results	11 August 2017
Payment of 2017 interim dividend (4.35 cents/share)	28 August 2017
Announcement of 3rd Quarter 2017 Results	10 November 2017

2018

Announcement of 2017 Full Year Results	13 February 2018
Annual General Meeting	26 April 2018
Announcement of 1st Quarter 2018 Results	11 May 2018*
Payment of 2017 final dividend (6.05 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	14 May 2018
Announcement of 2nd Quarter 2018 Results	10 August 2018*
Announcement of 3rd Quarter 2018 Results	9 November 2018*

*Provisional - Updates will be posted on www.comfordelgro.com

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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 2017 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2017.

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 87 to 157 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 2017, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

The Directors of the Company in office at the date of this statement are:

Lim Jit Poh	(Chairman)
Yang Ban Seng	(Appointed as Managing Director/Group Chief Executive Officer on 1 May 2017)
Lee Khai Fatt, Kyle	(Appointed on 1 May 2017)
Ong Ah Heng	
Oo Soon Hee	
Sum Wai Fun, Adeline	
Tham Ee Mern, Lillian	(Appointed on 1 August 2017)
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 2017 or date of appointment, if later	At 31 December 2017	At 21 January 2018
Interest in the Company			
(a) Ordinary shares			
Lim Jit Poh	244,425	244,425	244,425
Yang Ban Seng	157,168	157,168	157,168
Yang Ban Seng (Deemed Interest)	18,185	18,185	18,185
Lee Khai Fatt, Kyle	100,000	100,000	100,000
Lee Khai Fatt, Kyle (Deemed Interest)	70,000	70,000	70,000
Ong Ah Heng	635,558	755,558	755,558
Oo Soon Hee	925,000	1,075,000	1,075,000
Sum Wai Fun, Adeline	240,000	240,000	240,000
Wang Kai Yuen	52,500	52,500	52,500
Wong Chin Huat, David	620,000	620,000	620,000
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	660,000	660,000	660,000
Ong Ah Heng	120,000	–	–
Oo Soon Hee	150,000	–	–

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

	At 1 January 2017	At 31 December 2017	At 21 January 2018
Interest in subsidiary, SBS Transit Ltd			
(a) Ordinary shares			
Wong Chin Huat, David	215,000	215,000	215,000
Interest in subsidiary, VICOM Ltd			
(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000

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 (Chairman), Lim Jit Poh, Ong Ah Heng (appointed as a Member on 1 May 2017) and Wong Chin Huat, David.
- (ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.
- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and lapsed during the financial year and options outstanding as at 31 December 2017 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2017	Subscription price per share	Expiry date
	Outstanding at 1 January 2017	Exercised	Lapsed			
22 June 2007	1,220,000	(1,120,000)	(100,000)	–	\$2.260	21 June 2017
25 June 2008	1,335,000	(375,000)	–	960,000	\$1.590	24 June 2018
25 June 2009	1,600,000	(1,405,000)	–	195,000	\$1.273	24 June 2019
2 July 2010	1,295,000	(300,000)	–	995,000	\$1.467	1 July 2020
23 June 2011	2,570,000	(1,565,000)	–	1,005,000	\$1.373	22 June 2021
20 June 2012	270,000	(270,000)	–	–	\$1.475	19 June 2017
20 June 2012	4,750,000	(1,731,000)	–	3,019,000	\$1.475	19 June 2022
Total	13,040,000	(6,766,000)	(100,000)	6,174,000		

4 SHARE OPTIONS (cont'd)
(A) Share options of the Company (cont'd)

- (iv) Details of the options granted to Directors since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme*) up to 31 December 2017 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2017	Aggregate options exercised since the commencement to 31 December 2017	Aggregate options lapsed/forfeited since the commencement to 31 December 2017	Aggregate options outstanding at 31 December 2017
Lim Jit Poh	2,773,577	2,273,577	500,000	–
Yang Ban Seng	3,561,315	2,901,315	–	660,000
Ong Ah Heng	1,517,540	1,167,540	350,000	–
Oo Soon Hee	1,650,000	1,275,000	375,000	–
Sum Wai Fun, Adeline	600,000	600,000	–	–
Wang Kai Yuen	1,998,672	1,873,672	125,000	–
Wong Chin Huat, David	1,200,000	850,000	350,000	–

- * Following the merger of Comfort Group Ltd and DelGro Corporation Limited, the outstanding options under the Comfort Executives' Share Option Scheme, the 2000 Comfort Share Option Scheme and the DelGro Executives' Share Option Scheme (collectively, the "Pre-Merger Option Scheme"), were exchanged for options under the CDG ESOS based on the then option exchange ratios.

The terms of the options granted to the Directors are disclosed in paragraph 4(A)(ii).

- (v) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.
- (vi) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2017.

(B) Share options of subsidiaries
(a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 1,040,000 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 2017	Aggregate options exercised since the commencement to 31 December 2017	Aggregate options lapsed since the commencement to 31 December 2017	Aggregate options outstanding at 31 December 2017
Lim Jit Poh	780,000	480,000	300,000	–

5 **AUDIT AND RISK COMMITTEE**

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

Sum Wai Fun, Adeline (Chairman)
Lee Khai Fatt, Kyle (Appointed as Member on 1 May 2017)
Ong Ah Heng
Oo Soon Hee
Tham Ee Mern, Lilian (Appointed as Member on 1 August 2017)

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50 and the Code of Corporate Governance 2012.

In performing its functions, the Audit and Risk Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the Company's internal and external auditors four times during the year to discuss the scope and results of their respective audits, and at least once annually without the presence of Management. The Audit and Risk Committee has reviewed the independence of the external auditors, Messrs Deloitte & Touche LLP, including the scope of the non-audit services performed and confirmed that the auditors are independent.

In addition, the Audit and Risk Committee reviewed the Financial Statements of the Group before their submission to the Board of Directors of the Company and provided assurance to the Board on the adequacy of financial, operational, compliance and information technology controls.

The Audit and Risk Committee has recommended to the Board of Directors, the nomination of Deloitte & Touche LLP for re-appointment as auditors of the Group at the forthcoming Annual General Meeting of the Company.

6 **AUDITORS**

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Yang Ban Seng
Managing Director/Group Chief Executive Officer

Singapore
13 February 2018

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 2017, and the Income Statement, Comprehensive Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Group and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 87 to 157.

In our opinion, the Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Taxi vehicles, taxi licences and goodwill impairment review

The Group reviews taxi licences with indefinite useful lives and goodwill for impairment annually or more frequently when there is an impairment indication. Impairment assessment is also performed for taxi vehicles and taxi licences with definite useful lives when there is an impairment indication. The taxi vehicles, taxi licences and goodwill are disclosed in Notes 12, 13 and 14 to the Financial Statements.

Management exercises significant judgements in the assumptions on inputs used in the discounted cash flow forecasts to determine the recoverable amounts. The key assumptions used by Management are disclosed in Note 3 to the Financial Statements.

Our audit procedures included critically challenging the key assumptions on growth rates and discount rates used by Management in the impairment review. We also performed sensitivity analysis around the key inputs including growth rates and discount rates used in the cash flow forecasts. We compared the growth rates to recent business performance, trend analysis and the growth rate for the relevant country. For the discount rate, we 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 19 to the Financial Statements.

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

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

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

13 February 2018

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017

	Note	The Group		The Company	
		2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
ASSETS					
Current assets					
Short-term deposits and bank balances	4	596.2	779.3	129.7	309.6
Investments	10	10.4	–	5.2	–
Trade receivables	5	250.6	237.4	–	–
Other receivables and prepayments	6	195.2	152.7	5.5	5.4
Inventories	7	113.6	81.7	–	–
Total current assets		1,166.0	1,251.1	140.4	315.0
Non-current assets					
Subsidiaries	8	–	–	1,314.5	1,121.5
Associates	9	9.0	11.2	0.3	0.3
Investments	10	28.7	62.9	18.3	41.7
Other receivables and prepayments	6	6.7	3.0	19.8	19.9
Grant receivables	11	231.2	237.6	–	–
Vehicles, premises and equipment	12	2,722.6	2,814.8	6.9	8.0
Taxi licences	13	211.9	217.7	–	–
Goodwill	14	428.3	427.5	–	–
Deferred tax assets	15	23.3	23.6	–	–
Total non-current assets		3,661.7	3,798.3	1,359.8	1,191.4
Total assets		4,827.7	5,049.4	1,500.2	1,506.4

See accompanying notes to the Financial Statements.

STATEMENTS OF FINANCIAL POSITION
31 DECEMBER 2017

	Note	The Group		The Company	
		2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	16	114.2	169.3	–	–
Trade and other payables	17	677.3	717.5	253.0	472.1
Deferred grants	18	19.1	17.9	–	–
Fuel price equalisation account		20.0	20.0	–	–
Insurance premiums payable and provision for accident claims	19	62.2	65.8	–	–
Income tax payable		52.2	48.5	2.8	2.6
Total current liabilities		945.0	1,039.0	255.8	474.7
Non-current liabilities					
Borrowings	16	208.1	175.8	–	–
Deferred grants	18	282.4	279.6	–	–
Other liabilities	20	75.9	90.7	0.1	0.1
Fuel price equalisation account		20.0	20.0	–	–
Deferred tax liabilities	15	258.5	252.2	1.3	2.3
Total non-current liabilities		844.9	818.3	1.4	2.4
Total liabilities		1,789.9	1,857.3	257.2	477.1
Capital, reserves and non-controlling interests					
Share capital	21	688.2	676.9	688.2	676.9
Other reserves	22	126.4	23.4	(32.4)	(13.3)
Foreign currency translation reserve		(170.8)	(125.5)	–	–
Accumulated profits		1,974.4	1,900.7	587.2	365.7
Equity attributable to shareholders of the Company		2,618.2	2,475.5	1,243.0	1,029.3
Non-controlling interests		419.6	716.6	–	–
Total equity		3,037.8	3,192.1	1,243.0	1,029.3
Total liabilities and equity		4,827.7	5,049.4	1,500.2	1,506.4

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 2017

	Note	2017 \$'mil	2016 \$'mil
Revenue	23	3,970.9	4,059.5
Staff costs	24	(1,495.2)	(1,458.0)
Contract services		(521.9)	(560.9)
Depreciation and amortisation		(408.8)	(396.0)
Repairs and maintenance costs		(266.2)	(258.6)
Fuel and electricity costs		(236.8)	(231.7)
Materials and consumables costs		(144.1)	(154.0)
Road tax		(118.1)	(138.5)
Insurance premiums and accident claims		(116.0)	(125.8)
Premises costs		(95.9)	(91.4)
Taxi drivers' benefits		(43.8)	(55.6)
Advertising production and promotion costs		(21.6)	(21.7)
Utilities and communication costs		(18.8)	(19.7)
Vehicle leasing charges		(11.5)	(19.2)
Other operating costs		(63.0)	(66.2)
Total Operating Costs		(3,561.7)	(3,597.3)
Operating Profit		409.2	462.2
Net Income from Investments		22.4	13.9
Finance Costs	25	(10.8)	(14.4)
Share of Profit in Associate	9	4.6	4.9
Profit before Taxation		425.4	466.6
Taxation	26	(76.5)	(88.2)
Profit after Taxation	27	348.9	378.4
Attributable to:			
Shareholders of the Company		301.5	317.1
Non-Controlling Interests		47.4	61.3
		348.9	378.4
Earnings per share (in cents):			
Basic	28	13.95	14.72
Diluted	28	13.94	14.68

See accompanying notes to the Financial Statements.

GROUP COMPREHENSIVE INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2017

	Note	2017 \$'mil	2016 \$'mil
Profit after Taxation	27	348.9	378.4
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		10.3	47.1
Fair value adjustment on bonds		(0.2)	(0.1)
Exchange differences on translation of foreign operations		(6.2)	(79.2)
		3.9	(32.2)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		5.0	0.9
Fair value adjustment on equity investments		(21.9)	10.5
Revaluation of premises		-	40.2
		(16.9)	51.6
Other comprehensive income for the year		(13.0)	19.4
Total comprehensive income for the year		335.9	397.8
Attributable to:			
Shareholders of the Company		291.1	329.8
Non-Controlling Interests		44.8	68.0
		335.9	397.8

See accompanying notes to the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2017

	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
Balance at 1 January 2016	665.5	(64.2)	(53.7)	1,787.5	2,335.1	677.5	3,012.6
Total comprehensive income for the year							
Profit for the year	-	-	-	317.1	317.1	61.3	378.4
Other comprehensive income for the year	-	84.5	(71.8)	-	12.7	6.7	19.4
Total	-	84.5	(71.8)	317.1	329.8	68.0	397.8
Transactions recognised directly in equity							
Exercise of share options (Notes 21 and 22)	11.4	(1.1)	-	-	10.3	-	10.3
Payment of dividends (Note 33)	-	-	-	(199.4)	(199.4)	-	(199.4)
Other reserves	-	4.2	-	(4.5)	(0.3)	(28.9)	(29.2)
Total	11.4	3.1	-	(203.9)	(189.4)	(28.9)	(218.3)
Balance at 31 December 2016	676.9	23.4	(125.5)	1,900.7	2,475.5	716.6	3,192.1
Total comprehensive income for the year							
Profit for the year	-	-	-	301.5	301.5	47.4	348.9
Other comprehensive income for the year	-	(7.3)	(3.1)	-	(10.4)	(2.6)	(13.0)
Total	-	(7.3)	(3.1)	301.5	291.1	44.8	335.9
Transactions recognised directly in equity							
Adjustment arising from acquisition of interests in subsidiaries	-	109.0	(42.2)	-	66.8	(284.8)	(218.0)
Exercise of share options (Notes 21 and 22)	11.3	(0.9)	-	-	10.4	-	10.4
Payment of dividends (Note 33)	-	-	-	(224.9)	(224.9)	-	(224.9)
Other reserves	-	2.2	-	(2.9)	(0.7)	(57.0)	(57.7)
Total	11.3	110.3	(42.2)	(227.8)	(148.4)	(341.8)	(490.2)
Balance at 31 December 2017	688.2	126.4	(170.8)	1,974.4	2,618.2	419.6	3,037.8

See accompanying notes to the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2017

	The Company			
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	Total equity \$'mil
Balance at 1 January 2016	665.5	(21.0)	392.0	1,036.5
Total comprehensive income for the year				
Profit for the year	–	–	173.0	173.0
Other comprehensive income for the year	–	8.8	–	8.8
Total	–	8.8	173.0	181.8
Transactions recognised directly in equity				
Exercise of share options (Notes 21 and 22)	11.4	(1.1)	–	10.3
Payment of dividends (Note 33)	–	–	(199.4)	(199.4)
Other reserves	–	–	0.1	0.1
Total	11.4	(1.1)	(199.3)	(189.0)
Balance at 31 December 2016	676.9	(13.3)	365.7	1,029.3
Total comprehensive income for the year				
Profit for the year	–	–	446.4	446.4
Other comprehensive income for the year	–	(18.2)	–	(18.2)
Total	–	(18.2)	446.4	428.2
Transactions recognised directly in equity				
Exercise of share options (Notes 21 and 22)	11.3	(0.9)	–	10.4
Payment of dividends (Note 33)	–	–	(224.9)	(224.9)
Total	11.3	(0.9)	(224.9)	(214.5)
Balance at 31 December 2017	688.2	(32.4)	587.2	1,243.0

See accompanying notes to the Financial Statements.

GROUP CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2017

	2017 \$'mil	2016 \$'mil
Operating activities		
Profit before Taxation	425.4	466.6
Adjustments for:		
Depreciation and amortisation	408.8	396.0
Finance costs	10.8	14.4
Interest income	(9.9)	(11.6)
Dividend income	(12.5)	(2.5)
Grant income	(35.8)	(104.4)
Net gain on disposal of vehicles	(5.2)	(2.3)
Insurance premiums payable and provision for accident claims	17.7	17.5
Share of profit in associate	(4.6)	(4.9)
Others	4.8	7.8
Operating cash flows before movements in working capital	799.5	776.6
Inventories	(31.9)	(7.5)
Trade receivables	(14.2)	(50.3)
Other receivables and prepayments	(44.8)	67.0
Grant receivables, net of deferred grants	(0.7)	(0.7)
Trade and other payables	(16.5)	24.4
Other liabilities	(14.1)	(16.2)
Payment of service benefits and long service awards	(1.9)	(0.8)
Payment of insurance premiums and accident claims	(21.5)	(24.3)
Cash generated from operations	653.9	768.2
Income tax paid	(72.0)	(63.4)
Net cash from operating activities	581.9	704.8

See accompanying notes to the Financial Statements.

GROUP CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2017

	2017 \$'mil	2016 \$'mil
Investing activities		
Purchases of vehicles, premises and equipment	(393.6)	(466.5)
Less: Vehicles purchased under finance lease arrangements	28.2	–
Less: Proceeds from disposal of vehicles	81.8	75.9
Cash payments on purchase of vehicles, premises and equipment	(283.6)	(390.6)
Payment for taxi licences	–	(0.5)
Investment made	–	(0.3)
Return of capital from an associate	–	0.6
Interest received	10.4	11.3
Dividend received from an associate	6.8	3.4
Dividend received from investments	12.5	2.5
Net cash used in investing activities	(253.9)	(373.6)
Financing activities		
Acquisition of non-controlling interests in subsidiaries	(218.0)	–
New loans raised	1,012.9	437.5
Repayment of borrowings	(1,064.4)	(646.9)
Capital contribution from non-controlling shareholder of a subsidiary	–	0.5
Dividends paid to shareholders of the Company	(224.9)	(199.4)
Dividends paid to non-controlling shareholders of subsidiaries	(58.4)	(30.6)
Proceeds from exercise of share options of the Company	10.4	10.3
Proceeds from exercise of share options of subsidiaries	1.8	2.4
Grants received	44.9	120.2
Interest paid	(11.4)	(14.9)
Proceeds from unclaimed dividends	0.1	0.1
Net cash used in financing activities	(507.0)	(320.8)
Net effect of exchange rate changes in consolidating subsidiaries	(4.1)	(18.9)
Net decrease in cash and cash equivalents	(183.1)	(8.5)
Cash and cash equivalents at beginning of year	779.3	787.8
Cash and cash equivalents at end of year (Note 4)	596.2	779.3

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

See accompanying notes to the Financial Statements.

1 GENERAL

The Company (Registration No. 200300002K) is incorporated in the Republic of Singapore with its registered office and principal place of business at 205 Braddell Road, Singapore 579701. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activities of the Company are those of investment holding and the provision of management services. The principal activities of the subsidiaries and associates are described in Note 36.

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

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2017 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2017 were authorised for issue by the Board of Directors on 13 February 2018.

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 2017.

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

CONVERGENCE TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”) in 2018 – Singapore-incorporated companies listed on the Singapore Exchange (“SGX”) will be required to apply a new Singapore financial reporting framework, the Singapore Financial Reporting Standards (International) (“SFRS(I)”), 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 SFRS(I) for the first time for the financial year ending 31 December 2018, with retrospective application to the comparative financial year ended 31 December 2017 and the opening Statement of Financial Position as at 1 January 2017 (date of transition).

Management does not expect any changes to the Group’s current accounting policies or significant adjustments on transition to the new framework, other than the option to reset the foreign currency translation reserve to zero as at date of transition.

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 year but are not yet effective:

SFRS(I) 15	–	<i>Revenue from Contracts with Customers (with classifications issued)</i> ¹
SFRS(I) 16	–	<i>Leases</i> ²
SFRS(I) INT 22	–	<i>Foreign Currency Transactions and Advance Consideration</i> ¹

¹ Applies to annual periods beginning on or after 1 January 2018, with early application permitted.

² Applies to annual periods beginning on or after 1 January 2019, with early application permitted, if SFRS(I) 15 is adopted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

These standards are not expected to have any material impact on the Group's Financial Statements when they are adopted, except for SFRS(I) 15 and 16. The Group anticipates that the initial application of the new SFRS(I) 15 may result in changes to the presentation relating to revenue, with no impact to profit after tax. Certain additional disclosures may also be required with respect of SFRS(I) 15.

The initial application of the new SFRS(I) 16 will result in operating lease arrangements of the Group being recorded in the Statements of Financial Position and the additional disclosures.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

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 gains or losses on such a financial asset are recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised. When the financial asset is derecognised the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to Profit or Loss for the period.

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 year.

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 year. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

A default on a financial asset is when the counterparty fails to make contractual payments within a specific period after the credit period granted.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include taking into consideration observable data about the significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or past due event; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Where receivables have been written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in Profit or Loss.

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.

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 32).

Hedging instruments are initially recognised at fair value on the contract date, and are subsequently remeasured to their fair value at the end of each reporting year. The resulting gain or loss is recognised in Profit or Loss immediately unless the hedging instrument is designated and effective as a hedging instrument, in which event the timing of the recognition in Profit or Loss depends on the nature of the hedge relationship. The Group designates its hedging instruments as either fair value hedges or cash flow hedges.

Hedging instruments are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of hedging instrument is classified as a non-current asset or a non-current liability if the maturity of the hedge relationship exceeds 12 months and as a current asset or current liability if the maturity of the hedge relationship is within 12 months.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objective and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The Group designates any interest rate swap for hedging of interest rate risk arising from borrowings as cash flow hedges. Hedges of both foreign currency risk and fuel price risk for future purchases of goods are designated as cash flow hedges.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

Note 32(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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to Profit or Loss.

Rentals payable under operating leases (net of any incentive received from lessor) are charged to Profit or Loss on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and those costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average and first-in first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

VEHICLES, PREMISES AND EQUIPMENT – Vehicles, premises and equipment are stated at cost, less accumulated depreciation and any provision for impairment.

Capital projects in progress comprising development and construction costs incurred during the period of construction are carried at cost, less any recognised provision for impairment. Depreciation on these assets, on the same basis as other vehicles, premises and equipment, commences when the assets are ready for their intended use.

Depreciation is charged so as to write off the cost of the assets, other than freehold land and capital projects in progress, over their estimated useful lives, using the straight-line method, on the following bases:

	<u>Number of years</u>
Buses	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.

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 year, with the effect of any changes in estimate being accounted for on a prospective basis. Taxi licences with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets acquired separately.

GOODWILL – Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognised immediately in Profit or Loss.

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any provision for impairment.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At the end of each reporting year, 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.

The amount recognised as a provision is the present value of the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

- (ii) **Long Service Awards** – Staff of certain subsidiaries in Singapore serving more than 5 years and up to 35 years are entitled to long service awards. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees.

The provision for retirement benefits and long service awards is discounted using the market yield of Singapore Government Bonds at the end of each reporting year.

- (iii) **Defined Benefit Retirement Plans** – The Group operates two defined benefit pension schemes (“Pension Schemes”) for employees of one of its foreign subsidiaries, the assets of which are held in trustee administered funds.

The Pension Schemes were closed to future accruals in 2007 and employees were transferred to a defined contribution pension scheme.

The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting year. Actuarial gains and losses arising over the financial year are recognised immediately in Other Comprehensive Income and accumulated in equity under retirement benefit reserve and are reflected in the Statement of Financial Position as a pension asset or liability as appropriate. The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation net of fair value of plan assets.

- (iv) Apart from the Pension Schemes above, the Group makes contribution to pension schemes as defined by the laws of the countries in which it has operations. In particular, Singapore Companies make contributions to the Central Provident Fund in Singapore, a defined contribution pension scheme. Contributions to pension schemes are recognised as an expense in the period in which the related service is performed.

- (v) **Employee Leave Entitlement** – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting year.

- (vi) **Share-Based Payments** – The Group and the Company issued share options to certain employees and Directors. Share options are measured at fair value of the equity instruments (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the share options is expensed on a straight-line basis over the vesting period with a corresponding adjustment against share option reserve, based on the Group's and the Company's estimate of the number of equity instruments that will eventually vest.

Fair value is measured using the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on Management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

INCOME TAX – Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred income tax assets/liabilities are recognised for deductible/taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The principal temporary differences arise from depreciation, provision for fuel equalisation and future tax benefits from certain provisions not allowed for tax purposes until a later period. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in Profit or Loss, except when they relate to items credited or debited outside Profit or Loss (either in Other Comprehensive Income or directly in equity), in which case the tax is also recognised outside Profit or Loss (either in Other Comprehensive Income or directly in equity), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual Financial Statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the Consolidated Financial Statements.

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting year, monetary items denominated in foreign currencies are translated at rates prevailing at the end of each reporting year. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in Profit or Loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in Profit or Loss for the period except for differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in Other Comprehensive Income. For such non-monetary items, any exchange component of that gain or loss is also recognised in Other Comprehensive Income.

In order to hedge its exposure to certain foreign exchange risks, the Group enters into forward contracts and options (please see above for details of the Group's accounting policies in respect of such hedging instruments).

For the purpose of presenting Consolidated Financial Statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollars using exchange rates prevailing at the end of the reporting year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in Other Comprehensive Income and accumulate in the Group's currency translation reserve. Such translation differences are recognised in Profit or Loss in the period in which the foreign operation is disposed of.

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 year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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

Provisions

(i) Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment trends are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. The provision for accident claims included in Note 19 is \$59.0 million (2016 : \$59.2 million).

(ii) Insurance premium payable

With effect from 2008, the Group has undertaken property damage and personal injury insurance with a fixed annual premium per vehicle. However, the Group had in the previous financial years incurred additional premiums payable as the insurance claims per vehicle had exceeded the minimum amount as stipulated in the insurance policy for those years. An estimate of the liability for the period from 2006 to 2008 of \$3.2 million (2016 : \$6.6 million) had been made based on the history of incurred claims per vehicle for each of the policy year (Note 19).

(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 year and after taking into account an estimated attrition rate. The estimated attrition rate used is based on Management's best estimate of the respective subsidiaries' attrition rate, based on past experience.

Provision for long service awards is made based on the number of years of service rendered by qualifying employees of these subsidiaries and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting year.

The total provision for service benefits and long service awards is disclosed in Note 20(b).

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting year. In 2017, the retirement benefit asset recognised in the Group's Statement of Financial Position amounted to \$3.2 million disclosed in Note 6 represents the actual surplus in the Group's defined benefit plans. In 2016, the retirement benefit obligation recognised in the Group's Statement of Financial Position amounted to \$5.7 million disclosed in Note 20(c) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets.

Impairment review of taxi vehicles, taxi licences and goodwill

The Group tests goodwill and taxi licences annually for impairment, or more frequently if there are indications that they might be impaired. Impairment assessment is also performed for taxi vehicles and taxi licences with definite useful lives when there is an impairment indication.

Determining whether taxi vehicles, taxi licences and goodwill are impaired requires an estimation of the value in use of the cash-generating units ("CGUs") to which taxi vehicles, taxi licences and goodwill have been allocated (Notes 12, 13 and 14). The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. A provision for impairment loss on taxi vehicles, taxi licences and goodwill is recognised in Profit or Loss and can be reversed in the subsequent period except for goodwill when the amount of impairment loss decreases.

The recoverable amounts of the CGUs are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to profit margins during the period.

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

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by Management for the next year and extrapolates cash flows based on estimated growth rate. The estimated growth rate does not exceed the average long-term growth rate for the relevant markets and countries in which the CGU operates.

The discount rates applied to the forecast for the Group are based on current market assessment of the time value of money and risks specific to the business segment.

For the public transport services businesses in Australia and United Kingdom, discount rates of 6.9% (2016: 6.3%) and 5.7% (2016: 5.7%), and growth rates of 2.9% (2016: 2.7%) and 1.5% (2016: 1.1%) are applied to the forecasts respectively.

For the taxi businesses in China and Singapore, discount rates of 7.9% (2016: 7.6%) and 7.5% (2016: 7.4%), and growth rates of 2.8% (2016: 3.0%) and nil% (2016: nil%) are applied to the forecasts respectively.

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

Useful lives of vehicles, premises and equipment

As described in Note 2, the Group reviews the estimated useful lives of vehicles, premises and equipment at the end of each annual reporting year. During the financial year, Management determined that the estimated useful lives of vehicles, premises and equipment are appropriate and no material revision is required.

4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Cash and bank balances	15.5	18.1	–	–
Interest bearing bank balances	98.0	118.6	1.1	0.5
Fixed deposits	482.7	642.6	128.6	309.1
Total	596.2	779.3	129.7	309.6

Interest bearing bank balances bear effective interest rates ranging from 0% to 1.3% (2016 : 0% to 1.3%) per annum.

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.2% to 6.5% (2016 : 0.1% to 6.0%) per annum. These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

5 TRADE RECEIVABLES

	The Group	
	2017 \$'mil	2016 \$'mil
Outside parties	255.0	240.8
Allowance for expected credit losses	(4.4)	(3.4)
Net	250.6	237.4

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2016 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

The expected risks of default on trade receivables at the reporting date are insignificant as a majority of receivables are from the transport regulators and insurance companies. The receivables that are past due at the reporting date for which the Group has not provided for are insignificant. The Group does not hold any collateral over these balances.

An allowance has been made for estimated irrecoverable amounts which has been determined by reference to past default experience and expected credit losses. The expected credit losses incorporate forward looking estimates, where relevant. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers, and adjust for forward-looking macroeconomic data, where relevant.

Movements in allowance for expected credit losses:

	The Group	
	2017 \$'mil	2016 \$'mil
Balance at beginning of the year	3.4	3.2
Amounts written off during the year	(0.6)	(1.5)
Increase in allowance recognised in Profit or Loss	1.6	1.7
Balance at end of the year	4.4	3.4

6 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Prepayments	69.4	72.3	0.3	0.4
Downpayments for the purchase of vehicles, premises and equipment	3.3	2.6	-	-
Interest receivable	3.4	3.9	0.1	0.3
Security and tender deposits	2.0	1.6	-	-
Grant receivables (Note 11)	28.7	26.5	-	-
Retirement benefits assets (Note 20 (c))	3.2	-	-	-
Due from subsidiaries	-	-	23.5	22.7
Others	91.9	48.8	1.4	1.9
Total	201.9	155.7	25.3	25.3

Analysed as:

Current	195.2	152.7	5.5	5.4
Non-current	6.7	3.0	19.8	19.9
Total	201.9	155.7	25.3	25.3

6 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

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

Of the amount of \$23.5 million (2016 : \$22.7 million) due from subsidiaries, \$19.7 million (2016 : \$19.8 million) relates to a loan which bears variable interest rate of 3.28% (2016 : 3.27%) per annum and is unsecured. The remaining balance of \$3.8 million (2016 : \$2.9 million) is unsecured and interest-free.

7 INVENTORIES

	The Group	
	2017 \$'mil	2016 \$'mil
Goods held for sale	9.7	11.7
Consumables, materials and supplies	102.5	68.2
Work in progress	1.4	1.8
	113.6	81.7

8 SUBSIDIARIES

	The Company	
	2017 \$'mil	2016 \$'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	1,220.9	1,027.9
	1,314.5	1,121.5
Market value of quoted equity shares	923.9	830.3

Information about the composition of the Group at the end of the financial year is as follows:

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries	
		2017	2016
Investment holding	Singapore	4	4
Investment holding	United Kingdom	2	2
Investment holding	Malaysia	1	1
Investment holding	Australia	3*	–
Bus	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Ireland	1	1
Bus	Australia	14*	–
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	2	1
Taxi	China	3	3
Taxi	United Kingdom	10*	–
Car rental and leasing	Singapore	1	1
Car rental and leasing	China	1	1
Car rental and leasing	Malaysia	1	1

8 SUBSIDIARIES (cont'd)

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2017	2016
Investment holding	Australia	–*	3
Bus and rail	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Australia	–*	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	1
Taxi	Singapore	2	2
Taxi	China	7	7
Taxi	United Kingdom	–*	11
Taxi	Vietnam	2	2
Automotive engineering services	Australia	1	1

Details of subsidiaries are included in Note 36(a).

* During the financial year, the Company acquired the remaining 49% stake in ComfortDelGro Australia Pty Ltd (“CDC”) (previously known as ComfortDelGro Cabcharge Pty Ltd) and CityFleet Networks Limited (“CFN”) from Cabcharge Australia Limited. CDC and CFN become wholly-owned subsidiaries of the Company.

9 ASSOCIATES

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Unquoted equity shares	0.8	0.8	0.3	0.3
Add: Share of post-acquisition reserves	8.2	10.4	–	–
Total	9.0	11.2	0.3	0.3

(a) Details of significant associates are included in Note 36(b).

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

	The Group	
	2017 \$'mil	2016 \$'mil
Total assets	24.7	29.5
Total liabilities	(7.8)	(8.2)
Net assets	16.9	21.3
Group's share of associates' net assets	8.2	10.4
Revenue	18.3	18.4
Profit for the year	9.5	10.2
Group's share of associates' profit	4.6	4.9

10 INVESTMENTS

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Financial assets at fair value through Other Comprehensive Income:				
Equity shares in a corporation	28.7	52.3	18.3	36.4
Bonds in SP PowerAssets Limited	10.4	10.6	5.2	5.3
Total	39.1	62.9	23.5	41.7
Analysed as:				
Current	10.4	–	5.2	–
Non-current	28.7	62.9	18.3	41.7
Total	39.1	62.9	23.5	41.7

The equity shares in a corporation represent investment for long-term strategic purpose. Dividends received during the year amounted to \$12.5 million (2016 : \$2.5 million) which included a special dividend of \$10.0 million. The fair values are based on the closing market prices on the last market day of the financial year.

11 GRANT RECEIVABLES

	The Group	
	2017 \$'mil	2016 \$'mil
Grant receivables	259.9	264.1
Analysed as:		
Current (Note 6)	28.7	26.5
Non-current	231.2	237.6
Total	259.9	264.1

Included in the grant receivables is \$259.9 million (2016 : \$264.1 million) which is unsecured, bear effective interest at rates ranging from 4.26% to 8.19% (2016 : 4.26% to 8.19%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes.

The above grant receivables represent the net present value of the grant receivables from transport regulators mainly for the acquisition of new buses. Management has assessed that the credit risk associated with these grant receivables is low.

The carrying amounts of long-term grant receivables approximate their fair values.

12 VEHICLES, PREMISES AND EQUIPMENT

	Buses \$'mil	Leasehold land and building* \$'mil	Other leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
The Group				
Cost or valuation*:				
At 1 January 2016	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
Additions	118.2	–	6.5	7.6
Disposals	(34.2)	–	(1.1)	(1.2)
Reclassifications/Transfers from capital projects in progress	12.1	–	0.1	15.2
Exchange differences	4.8	–	(0.7)	0.2
At 31 December 2017	2,280.7	63.8	372.1	199.5
Accumulated depreciation and impairment:				
At 1 January 2016	797.9	23.8	233.8	15.9
Depreciation	130.6	2.7	11.9	1.8
Impairment loss	–	–	–	–
Disposals	(83.3)	–	(0.5)	–
Revaluation	–	(25.0)	–	–
Exchange differences	(30.4)	–	(3.1)	(2.0)
At 31 December 2016	814.8	1.5	242.1	15.7
Depreciation	145.3	4.7	11.8	2.1
Impairment loss	–	–	–	–
Disposal	(32.6)	–	(1.0)	–
Exchange differences	2.0	–	(0.3)	0.1
At 31 December 2017	929.5	6.2	252.6	17.9
Carrying amount:				
At 31 December 2017	1,351.2	57.6	119.5	181.6
At 31 December 2016	1,365.0	62.3	125.2	162.0

* A leasehold land and building at a bus depot is stated at revalued amount (Note 22) being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done by a subsidiary pursuant to the agreement in the Negotiated Contract under the Bus Contracting Model (Note 35) in Singapore. As at 31 December 2017, the carrying amount of the leasehold land and building would have been \$21.3 million (2016 : \$23.0 million), had the depot been carried at cost less accumulated depreciation.

Taxis and motor vehicles for rental \$'mil	Computers and automated equipment \$'mil	Workshop machinery, tools and equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
1,746.8	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
181.6	10.3	37.3	2.9	2.8	26.4	393.6
(432.4)	(36.3)	(2.5)	(1.8)	(0.8)	–	(510.3)
4.1	5.0	(18.0)	–	–	(18.5)	–
(4.8)	0.7	0.2	–	(0.2)	–	0.2
1,564.8	225.7	191.9	34.1	44.1	11.8	4,988.5
838.6	198.0	112.6	16.6	31.2	–	2,268.4
213.7	15.1	12.7	3.4	2.6	–	394.5
2.5	–	–	–	–	–	2.5
(196.4)	(8.5)	(5.1)	(1.8)	(1.5)	–	(297.1)
–	–	–	–	–	–	(25.0)
(5.2)	(8.7)	(3.5)	(0.1)	(0.1)	–	(53.1)
853.2	195.9	116.7	18.1	32.2	–	2,290.2
207.3	16.6	13.8	3.6	2.7	–	407.9
1.3	–	–	–	–	–	1.3
(361.1)	(34.4)	(2.3)	(1.6)	(0.7)	–	(433.7)
(2.4)	0.5	0.3	–	–	–	0.2
698.3	178.6	128.5	20.1	34.2	–	2,265.9
866.5	47.1	63.4	14.0	9.9	11.8	2,722.6
963.1	50.1	58.2	14.9	10.1	3.9	2,814.8

12 VEHICLES, PREMISES AND EQUIPMENT (cont'd)

Buses of the Group with total carrying amounts of \$89.3 million (2016 : \$50.3 million) and \$88.7 million (2016: \$97.2 million) are under finance lease arrangements and secured for bank loans respectively as disclosed in Note 16.

Of the carrying amount of \$866.5 million (2016 : \$963.1 million) taxis and motor vehicles for rental, \$786.4 million (2016 : \$885.6 million) relates to taxis. The remaining balance of \$80.1 million (2016 : \$77.5 million) relates to motor vehicles for rental. During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a provision for impairment of \$1.3 million (2016 : \$2.5 million) that had been recognised in Profit or Loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold bus depots \$'mil	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Total \$'mil
The Company						
Cost:						
At 1 January 2016	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
Additions	–	0.2	0.4	0.3	0.7	1.6
Disposals	–	–	(1.2)	–	(0.1)	(1.3)
At 31 December 2017	7.6	53.2	4.5	0.7	8.8	74.8
Accumulated depreciation:						
At 1 January 2016	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
Depreciation	–	1.7	0.5	0.1	0.3	2.6
Disposals	–	–	(1.2)	–	–	(1.2)
At 31 December 2017	7.6	48.8	3.8	0.2	7.5	67.9
Carrying amount:						
At 31 December 2017	–	4.4	0.7	0.5	1.3	6.9
At 31 December 2016	–	5.9	0.8	0.3	1.0	8.0

13 TAXI LICENCES

	The Group	
	2017 \$'mil	2016 \$'mil
Cost:		
At beginning of year	272.0	286.1
Additions	–	0.5
Exchange differences	(6.0)	(14.6)
At end of year	266.0	272.0
Accumulated amortisation:		
At beginning of year	54.3	55.6
Amortisation for the year	0.9	1.5
Exchange differences	(1.1)	(2.8)
At end of year	54.1	54.3
Carrying amount:		
At end of year	211.9	217.7
At beginning of year	217.7	230.5

Of the carrying amount of \$211.9 million (2016 : \$217.7 million) is \$172.7 million (2016 : \$176.2 million) of taxi licences in China and \$8.3 million (2016 : \$8.2 million) of bus operating rights in the United Kingdom with indefinite lives.

The remaining balance of \$30.9 million (2016 : \$33.3 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised.

14 GOODWILL

	The Group	
	2017 \$'mil	2016 \$'mil
Cost:		
At beginning of year	427.5	442.6
Provision for impairment	–	(1.7)
Exchange differences	0.8	(13.4)
At end of year	428.3	427.5

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 \$428.3 million (2016 : \$427.5 million) is allocated to the bus business in Australia of \$268.2 million (2016 : \$268.7 million) and the United Kingdom of \$103.8 million (2016 : \$102.6 million); taxi business in Australia of \$26.0 million (2016 : \$26.0 million), China of \$2.9 million (2016 : \$2.9 million), the United Kingdom of \$1.6 million (2016 : \$1.5 million) and Vietnam of \$0.9 million (2016 : \$0.9 million). In Singapore, the carrying amounts of goodwill of \$9.4 million (2016 : \$9.4 million) and \$10.5 million (2016 : \$10.5 million) are allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$5.0 million (2016 : \$5.0 million) is allocated to vehicle leasing business in Malaysia of \$1.5 million (2016 : \$1.5 million), inspection and testing business in China of \$3.0 million (2016 : \$3.0 million), and driving centre business in China of \$0.5 million (2016 : \$0.5 million).

15 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Deferred tax assets	23.3	23.6	-	-
Deferred tax liabilities	(258.5)	(252.2)	(1.3)	(2.3)
Net	(235.2)	(228.6)	(1.3)	(2.3)
At beginning of year	(228.6)	(200.9)	(2.3)	(2.8)
Charge to Profit or Loss (Note 26)	(10.0)	(20.0)	-	0.5
Overprovision in prior years (Note 26)	3.8	1.3	1.0	-
Arising from movement in Other Comprehensive Income Statement	(0.3)	(10.3)	-	-
Exchange differences	(0.1)	1.3	-	-
At end of year	(235.2)	(228.6)	(1.3)	(2.3)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Deferred tax assets				
Excess of book over tax depreciation	0.8	0.6	-	-
Provisions	0.5	3.1	-	-
Tax losses	22.0	19.9	-	-
	23.3	23.6	-	-
Deferred tax liabilities				
Accelerated tax depreciation	(290.6)	(276.1)	(1.8)	(1.8)
Other items	32.1	23.9	0.5	(0.5)
	(258.5)	(252.2)	(1.3)	(2.3)

16 BORROWINGS

	The Group	
	2017 \$'mil	2016 \$'mil
Borrowings comprise of the following:		
(a) Short-term loans	29.6	-
(b) Long-term loans	213.3	135.4
(c) Medium Term Notes	-	150.0
(d) Finance lease obligations	79.4	59.7
	322.3	345.1
Analysed as:		
Current	114.2	169.3
Non-current	208.1	175.8
Total	322.3	345.1

16 BORROWINGS (cont'd)**(a) Short-term loans**

	The Group	
	2017 \$'mil	2016 \$'mil
Bank loans - unsecured	29.6	-

The unsecured bank loans of \$29.6 million are for a tenure ranging from 1 to 7 months and bear floating interest rates ranging from 1.20% to 1.30% per annum.

(b) Long-term loans

	The Group	
	2017 \$'mil	2016 \$'mil
Bank loans - secured	38.3	49.1
Bank loans - unsecured	175.0	66.6
Loan from a non-controlling shareholder of a subsidiary - unsecured	-	19.7
Total	213.3	135.4

Less: Amount due for settlement within 12 months (shown as current liabilities):

Bank loans - secured	(20.1)	(10.7)
Bank loans - unsecured	(50.0)	(0.3)
Total	(70.1)	(11.0)

Amount due for settlement after 12 months	143.2	124.4
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	The Group	
	2017 \$'mil	2016 \$'mil

The borrowings are repayable as follows:

On demand or within one year	70.1	11.0
In the second year	18.2	86.5
In the third year	125.0	18.2
After five years	-	19.7
	213.3	135.4

(i) The \$38.3 million (2016 : \$49.1 million) secured bank loans are secured on buses (see Note 12). The loans bear floating interest at rates ranging from 3.06% to 3.40% (2016 : 2.99% to 3.42%) per annum.

(ii) The \$125.0 million (2016 : \$50.0 million) unsecured bank loan bears fixed interest at rates ranging from 1.91% to 2.53% (2016 : 2.53%) per annum and the remaining \$50.0 million (2016 : \$16.6 million) bears floating interest rates ranging from 1.47% to 1.54% (2016 : 1.35%) per annum.

(iii) The unsecured loan from a non-controlling shareholder of a subsidiary bore a floating interest at rate of 3.27% per annum. The loan had been fully repaid during the financial year.

(iv) The fair values of the Group's long term loans approximate their carrying amount.

16 BORROWINGS (cont'd)
(c) Medium Term Notes

	The Group	
	2017 \$'mil	2016 \$'mil
Medium Term Notes – unsecured	–	150.0

- (i) In 2012, a subsidiary issued \$150.0 million 5-year fixed rate unsecured Series 002 notes due in September 2017. The notes bore an interest rate of 1.80% per annum payable on a semi-annual basis. The notes had been fully repaid during the financial year.
- (ii) The fair value of the Group's Medium Term Notes approximated their carrying amount.

(d) Finance lease obligations

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Amounts payable under finance leases:				
Within one year	18.5	12.5	14.5	8.3
Within the second to fifth year inclusive	72.9	57.1	64.7	47.0
After five years	0.7	5.8	0.2	4.4
	92.1	75.4	79.4	59.7
Less: Future finance charges	(12.7)	(15.7)	NA	NA
Present value of finance lease obligations	79.4	59.7	79.4	59.7
Amount due for settlement within 12 months (shown under current liabilities)			(14.5)	(8.3)
Amount due for settlement after 12 months			64.9	51.4

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 5 to 15 years (2016 : 10 to 15 years). For the year ended 31 December 2017, the effective borrowing rates vary from 1.85% to 8.44% (2016 : 6.23% to 8.44%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

All lease obligations are denominated in the respective entities' functional currencies.

The fair value of the Group's lease obligations approximates their carrying amount.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets (see Note 12).

17 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Outside parties	229.2	232.5	0.7	1.0
Accruals	358.7	365.0	20.0	47.2
Deposits received - current (Note 20(a))	58.3	62.3	0.1	0.8
Deferred income from customers	17.8	36.6	-	-
Due to subsidiaries	-	-	223.3	407.9
Due to associate	8.9	14.3	8.9	14.3
Others	4.4	6.8	-	0.9
Total	677.3	717.5	253.0	472.1

The credit period on purchases of goods and services ranges from 7 days to 120 days (2016 : 7 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Of the amount of \$223.3 million (2016 : \$407.9 million) due to subsidiaries, \$105.3 million (2016 : \$285.9 million) represents funds under central pooling which bear variable interest at rates ranging from 1.02% to 1.27% (2016 : 0.48% to 1.93%) per annum are unsecured and repayable on demand. The remaining balance of \$118.0 million (2016 : \$122.0 million) is interest-free, unsecured and repayable on demand.

Amount due to associate of \$8.9 million (2016 : \$14.3 million) represents funds under central pooling which bear variable interest at rates ranging from 1.17% to 1.30% (2016 : 0.83% to 1.18%) per annum are unsecured and repayable on demand.

The Group's and the Company's trade and other payables that are not denominated in the functional currencies of the respective entities are as follows:

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
USD	10.1	13.6	-	-
Others	2.1	1.0	-	-

18 DEFERRED GRANTS

	The Group	
	2017 \$'mil	2016 \$'mil
Deferred grants	301.5	297.5
Analysed as:		
Current	19.1	17.9
Non-current	282.4	279.6
Total	301.5	297.5

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

19 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2017 \$'mil	2016 \$'mil
At beginning of year	65.8	76.1
Charges	17.7	17.5
Payments	(21.5)	(24.3)
Exchange differences	0.2	(3.5)
At end of year	62.2	65.8

The balance comprises provision for:

Insurance premiums	3.2	6.6
Accident claims	59.0	59.2
	62.2	65.8

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 premiums and accident claims involving the Group's vehicles (Note 3).

20 OTHER LIABILITIES

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Other liabilities comprised:				
(a) Deposits received	60.7	69.8	-	-
(b) Provision for service benefits and long service awards	15.2	15.2	0.1	0.1
(c) Retirement benefits obligations	-	5.7	-	-
	75.9	90.7	0.1	0.1

(a) Deposits received

	The Group	
	2017 \$'mil	2016 \$'mil
Deposits received from taxi hirers	119.0	132.1
Less: Due within 12 months (Note 17)	(58.3)	(62.3)
Due after 12 months	60.7	69.8

Deposits received from taxi hirers are repayable on demand upon termination of the taxi hire agreement. Deposits that are not expected to be repaid within the next twelve months after the reporting year based on past trend of termination of taxi hire agreements are presented as a non-current liability. The carrying amount of the deposits approximates their fair value.

20 OTHER LIABILITIES (cont'd)**(b) Provision for service benefits and long service awards**

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
At beginning of year	15.2	14.3	0.1	0.1
Charges	1.9	1.7	–	–
Payments	(1.9)	(0.8)	–	–
At end of year	15.2	15.2	0.1	0.1

(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	
	2017 \$'mil	2016 \$'mil
Reconciliation of the assets and liabilities recognised in the Statement of Financial Position		
Present value of defined benefit obligations that are wholly or partly funded	149.9	147.8
Fair value of plan assets at end of year	(153.1)	(142.1)
Net liability recognised in other liabilities (non-current) at end of year	–	5.7
Net asset recognised in other receivables (non-current) at end of year (Note 6)	(3.2)	–

21 SHARE CAPITAL

	The Group and The Company			
	2017 Number of ordinary shares (million)	2016	2017 \$'mil	2016 \$'mil
Issued and paid-up:				
At beginning of year	2,156.9	2,150.3	676.9	665.5
Exercise of share options	6.7	6.6	11.3	11.4
At end of year	2,163.6	2,156.9	688.2	676.9

Details of the outstanding share options of the Company as at the end of the financial year are set out in paragraph 4 of the Directors' Statement and in Note 24(c).

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

22 OTHER RESERVES

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Statutory reserve:				
At beginning of year	29.9	27.3	-	-
Transfer from accumulated profits	2.1	2.6	-	-
At end of year	32.0	29.9	-	-
Retirement benefit reserve:				
At beginning of year	(39.0)	(40.9)	-	-
Actuarial adjustment on defined benefit plans	5.0	0.9	-	-
Transfer from accumulated profits	-	1.0	-	-
At end of year	(34.0)	(39.0)	-	-
Investment revaluation reserve:				
At beginning of year	(38.3)	(48.7)	(46.3)	(55.1)
Fair value (loss) gain on investments	(22.1)	10.4	(18.2)	8.8
At end of year	(60.4)	(38.3)	(64.5)	(46.3)
Hedging reserve:				
At beginning of year	(9.8)	(52.9)	-	-
Fair value gain on cash flow hedges	9.8	43.1	-	-
At end of year	-	(9.8)	-	-
Others:				
At beginning of year	49.2	19.6	1.6	2.7
Exercise of share options	(0.9)	(1.1)	(0.9)	(1.1)
Revaluation of premises	-	30.1	-	-
Adjustment arising from acquisition of interests in subsidiaries	109.0	-	-	-
Others	0.1	0.6	-	-
At end of year	157.4	49.2	0.7	1.6
Net	126.4	23.4	(32.4)	(13.3)

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 \$60.6 million (2016 : \$38.7 million) that upon disposal will not be reclassified subsequently to Profit or Loss.

Others comprise mainly asset revaluation reserve, capital reserve and share option reserve.

23 REVENUE

	The Group	
	2017 \$'mil	2016 \$'mil
Rendering of services	3,970.9	4,059.5

Revenue includes a grant of \$35.8 million (2016 : \$104.4 million) received from local transport regulators.

24 STAFF COSTS

- (a) The remuneration of the Directors (executive and non-executive) and key executives comprises mainly of short-term benefits amounting to \$7.4 million (2016 : \$14.6 million).

	The Group	
	2017 \$'mil	2016 \$'mil
(b) Cost of defined contribution plan (included in staff costs)	143.7	143.0

The employees of the Company and some of the subsidiaries are members of a defined contribution retirement scheme. The Company and these subsidiaries are required to contribute a specified percentage of their payroll costs to the retirement scheme to fund the benefits. The only obligation of the Company and these subsidiaries with respect to the scheme is to make the specified contributions.

- (c) **Share-based payments (included in staff costs)**

Share option schemes

The Company and its listed subsidiaries had share option schemes for certain employees and Directors of the respective companies. These share option schemes expired in prior years and had not been renewed. Information on the share option plans is disclosed in paragraph 4 to the Directors' Statement. Options are exercisable at a subscription price determined with reference to the market price of the shares at the time of grant of the options. If the options remain unexercised after a period of 10 years (5 years for non-executive Directors) from the date of the grant, the options expire. Options granted will lapse when the option holder ceases to be a full-time employee or a Director of the Group, subject to certain exceptions at the discretion of the Remuneration Committee.

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

- (i) **The Company**

	2017		2016	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	13,040,000	1.51	19,627,000	1.53
Lapsed during the year	(100,000)	2.26	-	-
Exercised during the year	(6,766,000)	1.55	(6,587,000)	1.57
Outstanding at the end of the year	6,174,000	1.47	13,040,000	1.51
Exercisable at the end of the year	6,174,000	1.47	13,040,000	1.51

The weighted average share price at the date of share options being exercised during the year was \$2.59 (2016 : \$2.88). The options outstanding at the end of the year have an average remaining contractual life of 3.3 years (2016 : 3.7 years).

24 STAFF COSTS (cont'd)

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

	2017		2016	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	3,085,000	2.49	4,570,000	2.39
Lapsed during the year	(1,215,000)	3.34	(395,000)	2.48
Exercised during the year	(830,000)	1.98	(1,090,000)	2.05
Outstanding at the end of the year	1,040,000	1.91	3,085,000	2.49
Exercisable at the end of the year	1,040,000	1.91	3,085,000	2.49

The weighted average share price at the date of share options being exercised during the year was \$2.60 (2016 : \$2.40). The options outstanding at the end of the year have a weighted average remaining contractual life of 0.9 years (2016 : 1.4 years).

(iii) VICOM Ltd

	2017		2016	
	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
Exercised during the year	-	-	(20,000)	2.68
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

In 2016, the weighted average share price at the date of share options being exercised during the year was \$5.99. There are no outstanding options at the end of the year.

25 FINANCE COSTS

	The Group	
	2017 \$'mil	2016 \$'mil
Interest expense on:		
Loans and Medium Term Notes	6.5	9.2
Finance leases	4.3	5.2
Total	10.8	14.4

26 TAXATION

	The Group	
	2017 \$'mil	2016 \$'mil
Taxation charge comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	70.1	70.4
Deferred taxation relating to the origination and reversal of temporary differences (Note 15)	10.0	20.0
	80.1	90.4
Adjustments in respect of under (over) provision in prior years:		
Current taxation	0.2	(0.9)
Deferred taxation (Note 15)	(3.8)	(1.3)
	76.5	88.2

Domestic income tax is calculated at 17% (2016 : 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	
	2017 \$'mil	2016 \$'mil
Profit before Taxation	425.4	466.6
Income tax expense calculated at 17% (2016 : 17%)	72.3	79.3
Effect of items that are not taxable in determining taxable profit	(5.0)	(1.9)
Effect of different tax rates of subsidiaries operating in other jurisdictions	13.4	12.8
Tax rebates	(0.1)	(0.1)
Tax effect of share of results of associate	(0.8)	(0.9)
Overprovision in prior years	(3.6)	(2.2)
Other items	0.3	1.2
	76.5	88.2

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$1.3 million (2016 : \$4.5 million) and the resultant deferred tax benefits of \$0.3 million (2016 : \$1.1 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.

27 PROFIT AFTER TAXATION

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

	The Group	
	2017 \$'mil	2016 \$'mil
Amortisation of taxi and other licences	0.9	1.5
Depreciation expense	407.9	394.5
Provision for impairment on vehicles (included in other operating costs)	1.3	2.5
Provision for impairment on goodwill (included in other operating costs)	-	1.7
Net gain on disposal of vehicles	(5.2)	(2.3)
Directors' fees	1.3	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	0.4	0.2
Auditors of subsidiaries	0.1	0.1

28 EARNINGS PER SHARE

Earnings per share is calculated by dividing the Group's net profit attributable to shareholders of the Company for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2017	2016
Net profit attributable to shareholders of the Company (\$'mil)	301.5	317.1
Weighted average number of ordinary shares in issue (million)	2,160.7	2,154.6
Basic earnings per share (in cents)	13.95	14.72

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.

	2017	2016
Net profit attributable to shareholders of the Company (\$'mil)	301.5	317.1
Weighted average number of ordinary shares in issue (million)	2,160.7	2,154.6
Adjustments for share options (million)	2.2	6.0
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,162.9	2,160.6
Diluted earnings per share (in cents)	13.94	14.68

29 SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance is organised on a world-wide basis into 7 major operating divisions:

- (a) Public transport services : Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.
- (b) Taxi : Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.
- (c) Automotive engineering services : Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, assembly of bus bodies, crash repair services, engineering services and sale of diesel.
- (d) Inspection and testing services : Income is generated through the provision of motor vehicle inspection services and provision of non-vehicle testing, inspection and consultancy services.
- (e) Driving centre : Income is generated through operating driving schools.
- (f) Car rental and leasing : Income is generated through renting and leasing of cars.
- (g) Bus station : Income is generated mainly through commission income from fare collection.

Segment revenue and expenses: Segment revenue and expenses are the operating revenue and expenses reported in the Group's Income Statement that are directly attributable to a segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to a segment.

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of short-term deposits and bank balances, investments, operating receivables, inventories, taxi licences, goodwill and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals, deferred grants, deposits, provisions and borrowings.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are based on prices as determined between the parties. These transfers are eliminated on consolidation.

29 SEGMENT INFORMATION (cont'd)

(i) Business Segments

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Elimination \$'mil	Total \$'mil
Financial Year 2017									
REVENUE									
External sales	2,391.4	1,208.7	171.1	100.7	42.0	31.4	25.6	-	3,970.9
Inter-segment sales	1.4	-	112.3	3.3	0.2	0.1	-	(117.3)	-
TOTAL	2,392.8	1,208.7	283.4	104.0	42.2	31.5	25.6	(117.3)	3,970.9
RESULT									
Operating Profit	179.0	135.1	33.9	32.6	9.8	6.9	11.9	-	409.2
Net Income from Investments									22.4
Finance Costs									(10.8)
Share of Profit in Associate									4.6
Profit before Taxation									425.4
Taxation									(76.5)
Profit after Taxation									348.9
Non-Controlling Interests									(47.4)
Profit Attributable to Shareholders of the Company									301.5
OTHER INFORMATION									
Additions to vehicles, premises and equipment	164.9	188.1	1.3	4.3	2.1	30.8	2.1	-	393.6
Depreciation expense	170.7	212.0	2.1	6.5	2.0	12.9	1.7	-	407.9
Amortisation expense	-	0.9	-	-	-	-	-	-	0.9
Provision for impairment loss recognised in Income Statement	-	1.3	-	-	-	-	-	-	1.3
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Segment assets	2,323.5	1,173.9	50.1	61.4	21.7	82.9	18.3	-	3,731.8
Goodwill	381.4	31.4	-	13.5	0.5	1.5	-	-	428.3
Associates									9.0
Cash, fixed deposits, equities and bonds									635.3
Deferred tax assets									23.3
Consolidated total assets									4,827.7
LIABILITIES									
Segment liabilities	832.3	214.1	34.5	22.8	13.9	10.2	29.1	-	1,156.9
Borrowings									322.3
Income tax payable									52.2
Deferred tax liabilities									258.5
Consolidated total liabilities									1,789.9

29 SEGMENT INFORMATION (cont'd)
(i) Business Segments (cont'd)

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Elimination \$'mil	Total \$'mil
Financial Year 2016									
REVENUE									
External sales	2,307.3	1,340.8	204.8	103.7	39.7	36.3	26.9	-	4,059.5
Inter-segment sales	1.8	-	125.7	3.4	0.3	0.1	-	(131.3)	-
TOTAL	2,309.1	1,340.8	330.5	107.1	40.0	36.4	26.9	(131.3)	4,059.5
RESULT									
Operating Profit	178.3	167.5	50.7	34.8	10.6	8.1	12.2	-	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
OTHER INFORMATION									
Additions to vehicles, premises and equipment	113.7	326.5	0.5	4.2	1.2	20.0	0.4	-	466.5
Additions to taxi licences	-	0.5	-	-	-	-	-	-	0.5
Depreciation expense	152.6	216.1	2.2	6.7	2.2	12.8	1.9	-	394.5
Amortisation expense	-	1.5	-	-	-	-	-	-	1.5
Provision for impairment loss recognised in Income Statement	-	4.2	-	-	-	-	-	-	4.2
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Segment assets	2,240.3	1,258.1	56.0	63.6	23.3	84.7	18.9	-	3,744.9
Goodwill	380.6	31.4	-	13.5	0.5	1.5	-	-	427.5
Associates									11.2
Cash, fixed deposits, equities and bonds									842.2
Deferred tax assets									23.6
Consolidated total assets									5,049.4
LIABILITIES									
Segment liabilities	839.2	245.4	51.5	21.3	15.2	11.5	27.4	-	1,211.5
Borrowings									345.1
Income tax payable									48.5
Deferred tax liabilities									252.2
Consolidated total liabilities									1,857.3

29 SEGMENT INFORMATION (cont'd)

(ii) Geographical Segments

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

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

30 COMMITMENTS

As at 31 December 2017, the Group has the following commitments:

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

	The Group	
	2017 \$'mil	2016 \$'mil
Purchase of equipment	37.3	24.5
Purchase of buses, taxis and motor vehicles	66.2	135.3
Purchase of computer systems	6.0	9.6
Development of bus depots and properties	18.6	23.8
	128.1	193.2

31 OPERATING LEASE ARRANGEMENTS**The Group as lessee**

	The Group	
	2017 \$'mil	2016 \$'mil
Minimum lease payment under operating leases recognised as expense in the year	42.3	44.5

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

	The Group		The Company	
	2017 \$'mil	2016 \$'mil	2017 \$'mil	2016 \$'mil
Within one year	29.7	36.6	3.5	3.3
In the second to fifth year inclusive	61.1	72.4	2.9	6.1
After five years	48.6	50.4	–	–
Total	139.4	159.4	6.4	9.4

Leases are negotiated for average terms ranging from 1 year to 43 years and rental is fixed ranging from 1 year to 13 years.

The Group as lessor

The Group rents out certain of its properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was \$189.5 million (2016 : \$207.5 million).

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

	The Group	
	2017 \$'mil	2016 \$'mil
Within one year	171.0	185.4
In the second to fifth year inclusive	340.4	354.6
After five years	30.3	19.5
Total	541.7	559.5

32 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 arising from assets and liabilities denominated in non-functional currencies of entities in the Group is minimal.

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its borrowings, investments in fixed income securities and deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk. The Group may borrow at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate sensitivity

The Group has interest-bearing assets such as fixed income securities and deposits as well as interest-bearing liabilities. Any change in interest rate affecting the interest-bearing assets shall have an offsetting impact from the interest-bearing liabilities. Based on sensitivity analysis performed at the end of the reporting year, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or other comprehensive income of the Group is insignificant.

(iii) Credit risk management

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of Singapore, United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.

32 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 after considering fuel indexation in its contracts with various local authorities and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting year, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting year as a basis will impact the Group's annual fuel and electricity costs by \$0.6 million (2016 : \$0.6 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2017.

(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

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting year, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting year, the Group has no outstanding fuel and foreign exchange hedges.

At the end of the prior year, the Group had outstanding fuel and foreign exchange hedges with notional amounts totalling \$59.1 million.

The fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the prior year, comprised \$0.4 million of assets was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income and \$12.5 million of liabilities was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges.

The Group uses fuel 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.

32 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Capital risks management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 16(a) and 16(b), Medium Term Notes under Note 16(c) and finance lease payable under Note 16(d) while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016.

(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			Beyond 5 years \$'mil	Effective interest rate %
		Total \$'mil	Within 1 year \$'mil	Within 2 to 5 years \$'mil		
2017						
Financial liabilities						
Loans:						
In functional currencies	242.9	251.3	104.0	20.8	126.5	1.2% to 3.4%
Finance leases:						
In functional currencies	79.4	92.1	18.5	72.9	0.7	1.9% to 8.4%
Total	322.3	343.4	122.5	93.7	127.2	
2016						
Financial liabilities						
Loans:						
In functional currencies	285.4	294.0	166.6	107.6	19.8	1.4% to 3.4%
Finance leases:						
In functional currencies	59.7	75.4	12.5	57.1	5.8	6.2% to 8.4%
Total	345.1	369.4	179.1	164.7	25.6	

33 DIVIDENDS

(a) During the financial year, the Company paid dividends as follows:

	2017 \$'mil	2016 \$'mil
Tax-exempt one-tier final dividend in respect of the previous financial year:		
– 6.05 cents (2016 : 5.00 cents) per ordinary share	130.8	107.8
Tax-exempt one-tier interim dividend in respect of the current financial year:		
– 4.35 cents (2016 : 4.25 cents) per ordinary share	94.1	91.6
Total	224.9	199.4

(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 \$130.9 million be paid for the financial year ended 31 December 2017. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax exempt one-tier interim dividend of 4.35 cents per ordinary share (2016 : 4.25 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2017 will be 10.40 cents per ordinary share (2016 : 10.30 cents per ordinary share).

34 LICENCE FOR RAIL SERVICES

North-East Line MRT System, Punggol LRT System and Sengkang LRT System

A licence dated 15 January 2003 was issued by Land Transport Authority ("LTA") to a subsidiary, SBS Transit Ltd ("SBST") under which SBST is licensed to operate the North-East MRT System, Punggol LRT System and the Sengkang LRT System (collectively referred to as the "Licensed Systems").

The licence 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 licence 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.
- (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.

34 LICENCE FOR RAIL SERVICES (cont'd)

Downtown Line MRT System

A licence 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 licence sets out the conditions governing the operation of the Downtown Line MRT system and includes, among others, the following:

- (a) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.
- (b) The licence fee payable to LTA is prescribed under the subsidiary 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.

35 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 was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016.

SBST operates 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 leases 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 pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of SBST (bus depot and related equipment) based on the depreciation of such assets.

Under the BCM, the LTA retains all fare revenue collected from the provision of the bus services. Revenue for provision of bus services comprises service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, SBST retains revenue from other commercial services comprising advertising and rental.

35 NEGOTIATED CONTRACT UNDER THE BUS CONTRACTING MODEL (“BCM”) (cont'd)

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.

SBST was awarded the Seletar Bus Package in April 2017. The five-year contract can be extended by another two years. The bus package will commence operations from March 2018.

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of subsidiaries and associates are as follows:

(a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Quoted equity shares				
SBS Transit Ltd ⁽¹⁷⁾	Provision of public bus and rail services	Singapore	74.62	74.82
VICOM Ltd ⁽¹⁷⁾	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.06
Unquoted equity shares				
Braddell Limited ⁽⁹⁾	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

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Unquoted equity shares (cont'd)				
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
CityFleet Networks Limited ⁽³⁾	Provision and management of taxi booking services	United Kingdom	100	55.72
Swan Taxis Pty Ltd ⁽³⁾	Provision of taxi services	Australia	100	100
ComfortDelGro Corporation Australia Pty Ltd ^{(3) (20)}	Investment holding and provision of management services	Australia	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiary of SBS Transit Ltd:				
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	74.62	74.82
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.31	52.31
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.06	67.06
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.06	67.06
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd ⁽¹⁾	Provision of testing, inspection and consultancy services	Malaysia	67.06	67.06
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.06	67.06
SETS Services DMCC ⁽¹⁶⁾	Building inspection services	United Arab Emirates	67.06	67.06
Subsidiary of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd ⁽²⁾	Provision of taxi services	China	70	70

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiaries of Braddell Limited:				
ComfortDelGro Irish Citylink Limited ⁽³⁾	Provision of coach services	Ireland	100	100
Metroline Limited ⁽³⁾	Investment holding	United Kingdom	100	100
Metroline Rail Limited ⁽²³⁾	Inactive	United Kingdom	100	100
Scottish Citylink Coaches Limited ⁽³⁾	Provision of long distance coach services	United Kingdom	65	65
Subsidiaries of Metroline Limited:				
Metroline Travel Limited ⁽³⁾	Provision of public bus services	United Kingdom	100	100
Metroline West Limited ⁽³⁾	Provision of public bus services	United Kingdom	100	100
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited ⁽²³⁾	Inactive	United Kingdom	65	65
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92
Subsidiary of Moove Media Pte Ltd:				
Moove Media Australia Pty Ltd ⁽⁷⁾	Provision of advertising services	Australia	100	100

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiaries of CityFleet Networks Limited:				
Computer Cab (Edinburgh) Limited ⁽³⁾	Inactive	United Kingdom	100	55.72
Computer Cab plc ⁽³⁾	Provision of taxi services	United Kingdom	100	55.72
Computer Cab (Aberdeen) Limited ⁽³⁾	Provision of taxi services	United Kingdom	100	55.72
Flightlink International Limited ⁽³⁾	Provision of private hire services	United Kingdom	100	55.72
Computer Cab (Birmingham) Limited ⁽¹⁹⁾	Inactive	United Kingdom	–	55.72
Central Dispatch Limited ⁽³⁾	Provision and management of taxi booking services	United Kingdom	100	55.72
Computer Cab (Liverpool) Limited ⁽³⁾	Provision of taxi services	United Kingdom	100	55.72
Westbus Coach Services Limited ⁽³⁾	Provision of coach services	United Kingdom	100	55.72
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited ⁽³⁾	Inactive	United Kingdom	100	55.72
Subsidiary of Computer Cab plc:				
Cabcharge Limited ⁽³⁾	Provision and management of taxi booking card facilities	United Kingdom	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing Jin Jian Taxi Services Co., Ltd ⁽⁶⁾	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd ⁽⁶⁾	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd ⁽⁸⁾	Operation of a driving school	China	95	95
Chengdu ComfortDelGro Taxi Co., Ltd ⁽⁸⁾	Provision of public taxi services through the rental of taxis to hirers	China	100	100
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd ⁽⁸⁾	Inactive	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd ⁽⁹⁾	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd ⁽⁴⁾	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 ⁽⁸⁾	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd ⁽¹⁰⁾	Provision of bus station services	China	60	60

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiaries of ComfortDelGro (China) Pte Ltd (cont'd):				
Jilin ComfortDelGro Taxi Co., Ltd ⁽¹¹⁾	Provision of public taxi services through the rental of taxis to hirers	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd ⁽¹⁵⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70
Nanning Comfort Transportation Co., Ltd ⁽¹²⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Shanghai City Qi Ai Taxi Services Co., Ltd ⁽¹⁴⁾	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Taxi Co., Ltd ⁽⁴⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd ⁽⁸⁾	Inactive	China	100	100
Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd ⁽⁹⁾	Inactive	China	90	90

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd ⁽¹³⁾	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd ⁽²¹⁾	Inactive	Malaysia	100	100
Vietnam Taxi Co., Ltd ⁽³⁾	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company ⁽³⁾	Provision of taxi services	Vietnam	60	60
Subsidiary of Swan Taxis Pty Ltd:				
ComfortDelGro Swan Pty Ltd ⁽¹⁸⁾	Inactive	Australia	100	–
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd ⁽²⁰⁾:				
Westbus Region 1 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
Westbus Region 3 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
Hillsbus Co Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
Hunter Valley Buses Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
Charterplus Pty Ltd ⁽³⁾	Provision of charter, coach and terminal services	Australia	100	55.72
CDC Victoria Pty Ltd ⁽³⁾	Investment holding	Australia	100	55.72
Baypalm Pty Limited ⁽³⁾	Investment holding	Australia	100	55.72

36 **CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)**

(a) **Subsidiaries (cont'd)**

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd ⁽²⁰⁾ (cont'd):				
Blue Mountains Transit Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	55.72
Western Sydney Repair Centre Pty Ltd ⁽³⁾	Provision of accident and other repair and maintenance services	Australia	51	28.42
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Sunshine Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
CDC Geelong Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
CDC Oakleigh Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
CDC Werribee Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
CDC Altona Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
CDC Ballarat Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
CDC Eastrans Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	55.72
Subsidiary of Baypalm Pty Limited:				
Qcity Transit Pty Ltd ^{(3) (22)}	Provision of public bus services	Australia	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Note:

All Singapore companies (except for SBS Guangzhou Pte Ltd) are audited by Deloitte & Touche LLP, Singapore except for certain subsidiaries as indicated below.

- (1) Audited by WT Ng & Co, Malaysia.
- (2) Audited by 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 Gongming 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.
- (16) Audited by Ethics Plus Public Accountants, United Arab Emirates.

Other information

- (17) Listed on the Singapore Exchange Securities Trading Limited.
- (18) Incorporated during the financial year.
- (19) Struck off during the financial year.
- (20) Previously known as ComfortDelGro CabCharge Pty Ltd.
- (21) In the process of being struck off.
- (22) Previously known as Deanes Bus Lines Pty Limited.
- (23) These subsidiaries are insignificant and unaudited.

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Compliance with Listing Rules:

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations. In accordance to Rule 716, the Audit and Risk Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

(b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest	
			2017 %	2016 %
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd ⁽¹⁾	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Phillip Boyle & Associates Pty Ltd ⁽²⁾	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49
Gobbler Pte Ltd ⁽³⁾	Sales of goods bartered from the provision of advertising services	Singapore	40	40

Note:

⁽¹⁾ Audited by Deloitte & Touche LLP, Singapore.

⁽²⁾ Audited by Complete Audit Pty Ltd, Australia. The associate is insignificant.

⁽³⁾ The associate is insignificant and unaudited.

(c) Related company transactions

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

37 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these Financial Statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, Group entities entered into the following trading transactions with related parties:

	The Group	
	2017 \$'mil	2016 \$'mil
Expenses	1.2	0.6

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

38 EVENTS AFTER THE REPORTING YEAR

Acquisition of Lion City Rental Pte Ltd

The Company has entered into a sale and purchase agreement with Mieten B.V., a subsidiary of Uber Technologies, Inc. ("Uber") to acquire a 51% stake in its wholly-owned subsidiary in Singapore, Lion City Holdings Pte. Ltd., which in turn owns 100% of Lion City Rental Pte Ltd ("LCR"). LCR is a private hire vehicle fleet owner in Singapore with about 14,000 vehicles. The aggregate cash consideration for the above acquisition is estimated at S\$295.0 million. The acquisition is currently under review by Competition Commission of Singapore.

New Rail Financing Framework

The Board of SBS Transit Ltd has approved the sale of certain operating assets of the North-East MRT System, Sengkang and Punggol LRT Systems to Land Transport Authority as part of the transition to the New Rail Financing Framework. These assets will be sold at their net book values estimated at S\$28.8 million, subject to the approval of the relevant authorities.

Expansion of taxi business in Shenyang

The Group's two taxi subsidiaries in Shenyang, Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd, have acquired 217 taxi licences and vehicles from Shenyang Tian Wen Taxi Co., Ltd for a cash consideration of RMB71.6 million (approximately S\$15.0 million). This will reinforce the Group's position as the largest taxi operator in Shenyang.

Acquisition of New Adventure Travel Limited in the United Kingdom

Braddell Limited, a wholly owned subsidiary of the Company, has entered into a sale and purchase agreement to acquire all the shares of New Adventure Travel Limited ("NAT Group"). NAT Group is a bus and coach company operating in the South Wales region of the United Kingdom. The purchase consideration for the above acquisition is estimated at £13.4 million (approximately S\$25.0 million).

Acquisition of shares in ComfortDelGro Insurance Brokers Pte Ltd

The Company has entered into a sale and purchase agreement with Global East Investments Pte Ltd to acquire the remaining 51% stake in ComfortDelGro Insurance Brokers Pte Ltd ("CDGI") for a cash consideration of S\$22.9 million. CDGI provides insurance broking, risk management, claims management and related services in Singapore. CDGI has become a wholly owned subsidiary of the Company.

39 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	100	Braddell Road	66,445 sq m	30 years 8 years 8 months unexpired	Head office, bus depot, vehicle workshop
SBS Transit Ltd	74.62	Soon Lee Road	26,670 sq m	30 years 12 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.62	Defu Ave 1	74,236 sq m	38 years from 1 January 1983 3 years unexpired	Bus depot
SBS Transit Ltd	74.62	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	74.62	Bukit Batok Street 23	52,187 sq m	43 years from 1 January 1983 8 years unexpired	Bus depot
SBS Transit Ltd	74.62	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	74.62	Ang Mo Kio Street 63	63,955 sq m	26 years from 1 March 1994 2 years 2 months unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 23 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 9 years unexpired	Inspection, assessment services

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
VICOM Ltd	67.06	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years 7 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 7 years 4 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 25 years 6 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 25 years 6 months unexpired	Inspection services
Setsco Services Pte Ltd	67.06	Teban Gardens Crescent	9,830 sq m	30 years from February 2009 21 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 6 years 11 months unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.31	Ang Mo Kio Street 63	2,145 sq m	3 years from March 2014, renewed for another 3 years from March 2017 2 years 2 months unexpired	Inspection services

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
Comfort Transportation Pte Ltd	100	Sin Ming Drive	19,523 sq m	60 years 17 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	24,499 sq m	30 years 5 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 34 years 4 months unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 7 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 8 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 31 years 2 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	17 years 4 years 9 months unexpired	Workshop, diesel kiosk

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 10 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiazui Road Shanghai	689 sq m	50 years 31 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 25 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 6 years unexpired (compulsory acquisition by Government)	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 16 years unexpired	Office
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 38 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 5 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 45 years unexpired	Office

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
UNITED KINGDOM					
Computer Cab plc	100	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	100	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 2 years and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	100	Falkland Street Liverpool L3 8HB	610 sq m	99 years 80 years 7 months unexpired	Office, fleet dept
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years 1 month unexpired	Office, fitting bay
Metroline Limited	100	Pemberton Gardens Holloway London N19 5RR	17,968 sq m	Freehold	Bus depot
Metroline Limited	100	Edgware Road Cricklewood London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline West Limited	100	Ealing Road Wembley HA0 4LL	4,996 sq m	Freehold	Bus depot

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA					
Westbus Region 1 Pty Ltd	100	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	100	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Arnott Street Edgeworth NSW	16,600 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Prosperity Drive Truganina Victoria	40,764 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Bass Street Queanbeyan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd ⁽¹⁾	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot & Offices
CDC Ballarat Pty Ltd	100	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 3 years unexpired	Office, workshop

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
MALAYSIA					
Setsco Services (M) Pte Ltd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 90 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 4 months unexpired	Office, workshop

Note:

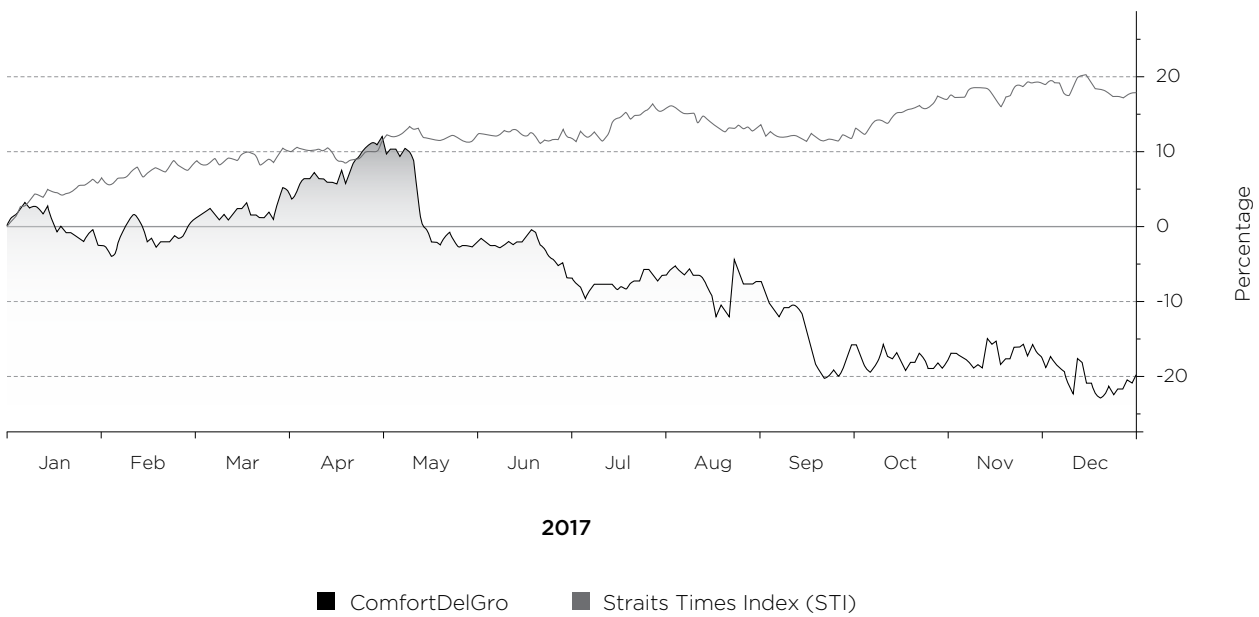
⁽¹⁾ Previously known as ComfortDelGro CabCharge Pty Ltd.

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 5 MARCH 2018

No. of shares issued : 2,163,667,663
Class of shares : Ordinary shares
Voting rights : One vote per ordinary share

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	878	1.88	32,417	0.00
100 - 1,000	3,223	6.92	2,412,734	0.11
1,001 - 10,000	26,728	57.35	96,784,738	4.47
10,001 - 1,000,000	15,739	33.77	359,264,738	16.61
1,000,001 & above	37	0.08	1,705,173,036	78.81
Total	46,605	100.00	2,163,667,663	100.00

Top Twenty Shareholders	No. of Shares	%
DBS Nominees Pte Ltd	528,009,998	24.40
Citibank Nominees Singapore Pte Ltd	439,364,711	20.31
DBSN Services Pte Ltd	198,020,893	9.15
HSBC (Singapore) Nominees Pte Ltd	185,281,913	8.56
United Overseas Bank Nominees Pte Ltd	123,937,556	5.73
BPSS Nominees Singapore (Pte.) Ltd.	54,296,059	2.51
Raffles Nominees (Pte) Ltd	50,724,748	2.34
OCBC Nominees Singapore Pte Ltd	19,107,098	0.88
DB Nominees (S) Pte Ltd	14,540,787	0.67
OCBC Securities Private Ltd	12,503,486	0.58
Changi Bus Company (Private) Limited	9,024,095	0.42
Kua Hong Pak	7,524,530	0.35
Yim Chee Chong	6,435,000	0.30
Phillip Securities Pte Ltd	5,897,738	0.27
Societe Generale Spore Branch	5,099,143	0.24
DBS Vickers Securities (S) Pte Ltd	4,417,530	0.20
Chua Cheng Ser	3,785,000	0.17
Choo Chek Siew	3,260,000	0.15
CGS-CIMB Securities (S) Pte Ltd	3,020,185	0.14
Morgan Stanley Asia (S) Securities Pte Ltd	2,821,399	0.13
Total	1,677,071,869	77.50

SHAREHOLDING STATISTICS
AS AT 5 MARCH 2018

Substantial Shareholders (as shown in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
BlackRock, Inc.	-	-	130,017,420 ¹	6.00
The PNC Financial Services Group, Inc.	-	-	130,017,420 ¹	6.00

Notes:

¹ BlackRock, Inc. is deemed to have an interest in 130,017,420 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 130,017,420 shares of ComfortDelGro Corporation Limited held by the subsidiaries of BlackRock, Inc.

As at 5 March 2018, approximately 93.57% 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.

ComfortDelGro Corporation Limited

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting* of the Company will be held on Thursday, 26 April 2018 at 10.00 a.m. at:

**AUDITORIUM
SINGAPORE CHINESE CULTURAL CENTRE
1 STRAITS BOULEVARD
SINGAPORE 018906**

The Annual General Meeting (“AGM”) is for the purpose of transacting the following business:

Ordinary Business:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the Financial Year ended 31 December 2017 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 2017. **(Resolution 2)**
3. To approve the payment of Directors’ fees of \$768,118 for the Financial Year ended 31 December 2017. (FY2016: \$729,334) **(Resolution 3)**
4. To re-elect Mr Ong Ah Heng, a Director retiring pursuant to Article 91 of the Company’s Articles of Association comprising part of the Constitution of the Company. **(Resolution 4)**
5. To note that Mr Oo Soon Hee will be retiring pursuant to Article 91 of the Company’s Articles of Association comprising part of the Constitution of the Company and he will not be seeking re-election at this AGM.
6. To re-elect Mr Yang Ban Seng, a Director retiring pursuant to Article 97 of the Company’s Articles of Association comprising part of the Constitution of the Company. **(Resolution 5)**
7. To re-elect Mr Lee Khai Fatt, Kyle, a Director retiring pursuant to Article 97 of the Company’s Articles of Association comprising part of the Constitution of the Company. **(Resolution 6)**
8. To re-elect Ms Tham Ee Mern, Lilian, a Director retiring pursuant to Article 97 of the Company’s Articles of Association comprising part of the Constitution of the Company. **(Resolution 7)**
9. To re-appoint Messrs Deloitte & Touche LLP as Auditors and authorise the Directors to fix their remuneration. **(Resolution 8)**

*LIGHT REFRESHMENTS WILL BE SERVED AFTER THE ANNUAL GENERAL MEETING

Special Business:

To consider and, if thought fit, to pass the following Resolutions, of which Resolutions 9 and 10 will be proposed as Ordinary Resolutions and Resolutions 11 and 12 will be proposed as Special Resolutions:

Ordinary Resolutions

10. That:

(Resolution 9)

- (a) for the purposes of the Companies Act (Chapter 50 of Singapore) (the “Companies Act”), the authority conferred on the directors of the Company (“Directors”) to exercise all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (the “Shares”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) (each a “Market Purchase”) on the Singapore Exchange Securities Trading Limited (the “SGX-ST”), or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an “Off-Market Purchase”) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual of the SGX-ST (“Listing Manual”) as may for the time being be applicable, be and is hereby approved generally and unconditionally (the “Share Buyback Mandate”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next AGM is held or required by law to be held; and
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“Maximum Limit” means that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

“Maximum Price”, in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

“Relevant Period” means the period commencing from the date on which this Resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

“Average Closing Price” means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) Market Days (a “Market Day” being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

11. That:

(Resolution 10)

- (a) a new share award scheme to be known as the “ComfortDelGro Executive Share Award Scheme” (the “Scheme”), under which awards (“Awards”) of fully-paid Shares will be granted, free of charge, to eligible participants under the Scheme, the rules and summary details of which are set out in Appendix B of the Appendices to this Notice (“Appendix B”), be and is hereby approved and adopted with effect from the date of the passing of this Resolution;
- (b) the Directors be and are hereby authorised:
 - (i) to establish and administer the Scheme; and
 - (ii) to modify and/or alter the Scheme at any time and from time to time, provided that such modifications and/or alterations are effected in accordance with the provisions of the Scheme, and to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Scheme; and

- (c) the Directors of the Company be and are hereby authorised to grant Awards in accordance with the provisions of the Scheme and to issue and/or transfer from time to time such number of fully paid-up Shares as may be required to be issued and/or transferred pursuant to the vesting of Awards under the Scheme, provided that:
- (i) the total number of new Shares which shall be issued pursuant to Awards granted under the Scheme shall not exceed two per cent (2%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of the Award; and
 - (ii) the aggregate number of Shares for which an Award may be granted on any date under the Scheme, when added to the aggregate number of Shares that are issued and/or issuable in respect of:
 - (A) all Awards granted under the Scheme; and
 - (B) all Shares, options or awards granted under any other share option or share scheme of the Company then in force (if any),

shall be subject to any applicable limits prescribed under the Listing Manual.

Special Resolutions

12. That the new constitution of the Company (“New Constitution”) submitted to this Meeting and, for the purpose of identification, subscribed to by the Company Secretary be approved and adopted as the New Constitution in substitution for, and to the exclusion of, the existing memorandum and articles of association of the Company. **(Resolution 11)**
13. Subject to and conditional upon Special Resolution 11 being passed, that the objects clauses within the New Constitution which are incorporated from the existing provisions of the memorandum and articles of association of the Company (“Existing Constitution”), be deleted in the manner as set out in Annexure 2 of Appendix C. **(Resolution 12)**

Books Closure and Dividend Payment Dates

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 8 May 2018 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 2017.

Duly completed and stamped transfers received by the Company’s Share Registrar, B.A.C.S. Private Limited, 8, Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 7 May 2018 will be registered to determine Shareholders’ entitlements to the final dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 7 May 2018 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Fifteenth Annual General Meeting of the Company, will be paid on 14 May 2018.

By Order of the Board

Chan Wan Tak, Wendy
Yeo Tee Yeok, Edwin
Joint Company Secretaries
Singapore
28 March 2018

Notes:

- 1 (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.
- 2 A proxy need not be a member of the Company.
- 3 The instrument appointing a proxy or proxies (a form is enclosed) must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 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.

Additional Information on Ordinary Business:

Mr Ong Ah Heng, Mr Lee Khai Fatt, Kyle and Ms Tham Ee Mern, Lilian are Members of the Audit and Risk Committee. They are considered independent Directors of the Company. If re-elected, Mr Ong Ah Heng, Mr Lee Khai Fatt, Kyle and Ms Tham Ee Mern, Lilian will continue as Members of the Audit and Risk Committee.

Explanatory Notes

Ordinary Resolution 9, if passed, will empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) Shares on the terms of the Share Buyback Mandate as set out in Appendix A of the Appendices to this Notice ("Appendix A").

The Company may use internal and external sources of funds to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect on the listing status of the Shares on the SGX-ST, liquidity and/or the orderly trading of the Shares and/or the financial position of the Company and its subsidiaries (collectively, the "Group"). The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position, cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased and the purchase prices paid at the relevant times.

An illustration of the financial impact of the purchase or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate on the Audited Financial Statements of the Group for the Financial Year ended 31 December 2017 is set out in Appendix A.

Ordinary Resolution 10, if passed, will adopt the proposed Scheme in the manner as set out in Appendix B. The Company previously had in place the ComfortDelGro Employee Share Option Scheme, which was approved by shareholders on 18 February 2003, but had expired on 17 February 2013. The Company therefore wishes to adopt the Scheme, subject to, and upon, approval of shareholders being obtained for the Scheme at this AGM. The rationale for the adoption of the Scheme, details of and a summary of the principal rules of the Scheme are set out in Appendix B.

Special Resolution 11 above is to adopt a new constitution for the Company following the extensive amendments to the Companies Act introduced pursuant to the Companies (Amendment) Act 2014 ("2014 Amendment Act") and the Companies (Amendment) Act 2017 ("2017 Amendment Act"). The New Constitution consists of the existing provisions of the memorandum and articles of association of the Company, revised mainly to give effect to the amendments made to the Companies Act by the 2014 Amendment Act and the 2017 Amendment Act. Please refer to Appendix C and Annexure 1 to Appendix C for more details on the New Constitution.

Special Resolution 12 above is to delete the objects clauses within the New Constitution which are incorporated from the Existing Constitution ("Objects Clauses") in the event that shareholders of the Company vote in favour of Special Resolution 11 above for the proposed adoption of the New Constitution. By deleting the Objects Clauses, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction, subject to the Companies Act, any other written law and the New Constitution. Please refer to Annexure 2 to Appendix C for more details.

COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 20030002K)

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 2018.

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/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 Thursday, 26 April 2018 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*
Ordinary Business			
1.	Adoption of Directors' Statement and Audited Financial Statements		
2.	Declaration of Final Dividend		
3.	Approval of Directors' Fees		
4.	Re-election of Mr Ong Ah Heng as Director		
5.	Re-election of Mr Yang Ban Seng as Director		
6.	Re-election of Mr Lee Khai Fatt, Kyle as Director		
7.	Re-election of Ms Tham Ee Mern, Lilian as Director		
8.	Re-appointment of Auditors and authorising Directors to fix their remuneration		
Special Business			
9.	Adoption of Share Buyback Mandate		
10.	Adoption of ComfortDelGro Executive Share Award Scheme		
11.	Approval of New Constitution		
12.	Deletion of Objects Clauses		

* 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 _____ 2018

Total Number of Shares Held (Note 1)

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Should a member wish to receive acknowledgement of receipt of the Proxy Form from the Company, please provide your email address and/or mobile phone number.

Email Address: _____ Mobile Phone No: _____

LIGHT REFRESHMENTS WILL BE SERVED AFTER THE AGM

NOTES:

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, 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

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:**

**AUDITORIUM
SINGAPORE CHINESE CULTURAL CENTRE
1 STRAITS BOULEVARD
SINGAPORE 018906**

**LIGHT REFRESHMENTS WILL BE SERVED
AFTER THE ANNUAL GENERAL MEETING**

All rights reserved. Some information in this Annual Report constitute 'forward looking statements', which reflect ComfortDelGro's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which may be outside ComfortDelGro's control. You are urged to view all forward looking statements with caution. No information herein should be reproduced without the express written permission of ComfortDelGro Corporation Limited. All information herein is correct at the time of publication. For updated information, please contact our Corporate Office.

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