

Annual Report

20
19



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

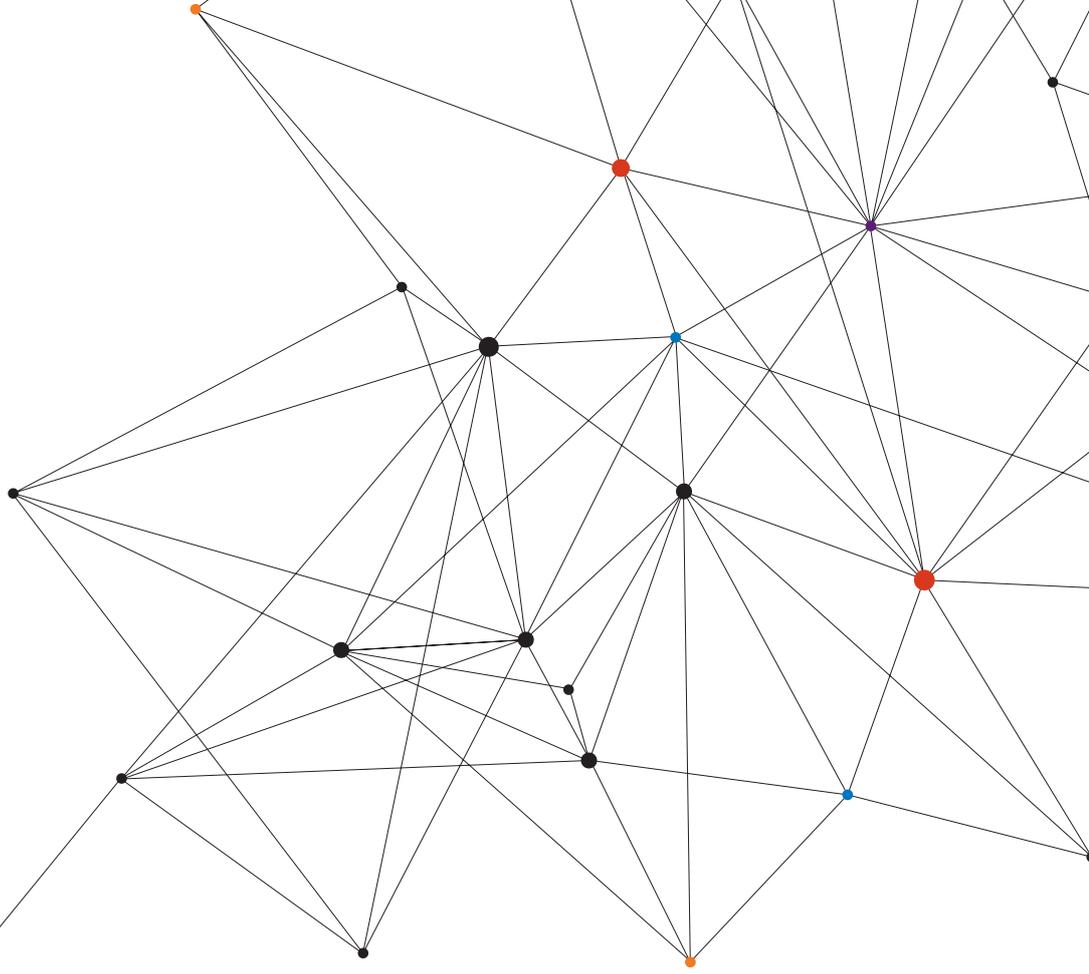
We will:

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



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GLOBAL FOOTPRINT

7

COUNTRIES

68

LOCATIONS

41,688

VEHICLES

24,329

EMPLOYEES

UNITED KINGDOM

• ABERDEEN • BARRY • BRECON • BRIDGEND
• CARDIFF • DUNDEE • GLASGOW • GOWER
• INVERNESS • LIVERPOOL • LONDON • NEATH
• NEWPORT • PERTH • PONTYPRIDD • POWYS
• RHONDDA • STIRLING • SWANSEA • TREForest

Total Investment
\$434.1 million

Total Operating Fleet Size
8,208

Total Number of Employees
5,805

IRELAND

• CORK • DUBLIN
• GALWAY • LIMERICK

Total Investment
\$3.1 million

Total Operating Fleet Size
25

Total Number of Employees
19

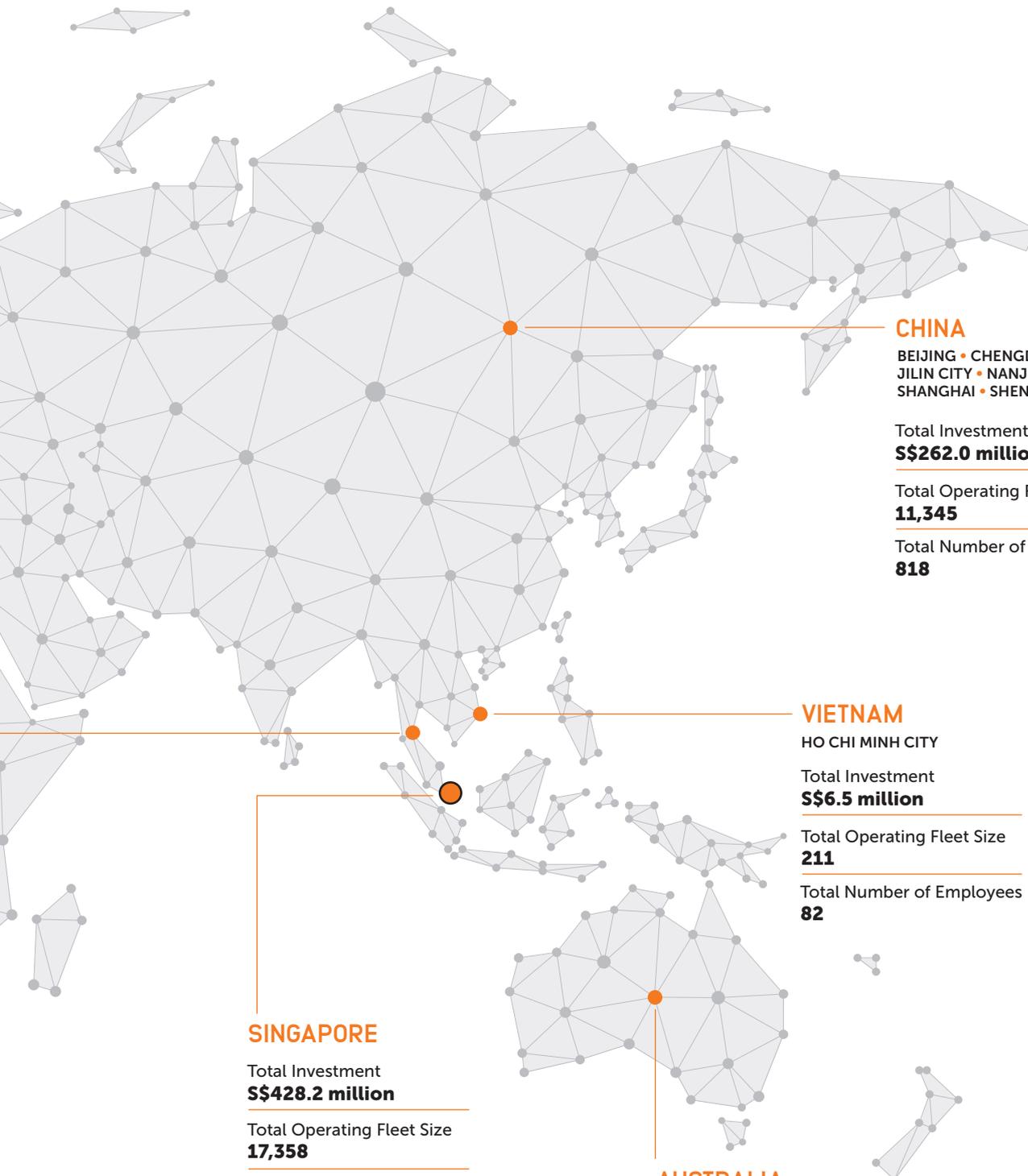
MALAYSIA

• KUALA LUMPUR

Total Investment
\$3.8 million

Total Operating Fleet Size
122

Total Number of Employees
42



CHINA

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

Total Investment
S\$262.0 million

Total Operating Fleet Size
11,345

Total Number of Employees
818

VIETNAM

HO CHI MINH CITY

Total Investment
S\$6.5 million

Total Operating Fleet Size
211

Total Number of Employees
82

SINGAPORE

Total Investment
S\$428.2 million

Total Operating Fleet Size
17,358

Total Number of Employees
13,773

AUSTRALIA

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

Total Investment
S\$1.17 billion

Total Operating Fleet Size
4,419

Total Number of Employees
3,790

CHAIRMAN'S STATEMENT



We have been involved in a total of three autonomous vehicle (AV) trials in Singapore. In July 2019, we launched our third trial with EasyMile of France in the National University of Singapore and it is operating well.

INTRODUCTION

The trade war between the United States of America (USA) and the People's Republic of China (PRC), which started in July 2018, continued through 2019. Despite a Phase One agreement in the beginning of 2020, there are still issues that may emerge as both parties enter into the next phase of negotiations. Uncertainty is a nightmare that will have grave consequences on the global economy, currency and political divide. We are now in an extremely volatile situation. Our businesses have been adversely affected.

The much hoped for peaceful resolution in the Korean Peninsular did not take place. For most part of the year, the Brexit crisis in the United Kingdom (UK) hung on a balance and only saw some resolution at the end of 2019 when the Conservative Party won the General Elections with a handsome majority. Finally, 3½ years after the Brexit Referendum, the UK had ceased to be a member of the European Union (EU) from 1 February 2020. Most of Asia remains peaceful although protracted unrest continued to plague Hong Kong.

The consequence of all these happenings is that our three operating foreign currencies of Sterling Pound (£), Australian Dollar (A\$) and Chinese Renminbi (RMB) were affected when compared against our reporting currency, the Singapore Dollar (S\$). The variations of the average rates for the year were as follows:

	2019	2018	Variance
£1	S\$1.7413	S\$1.8003	-3.3%
1 RMB	S\$0.1975	S\$0.2041	-3.2%
A\$1	S\$0.9484	S\$1.0083	-5.9%

The emergence of the rapidly spreading COVID-19 in the beginning of 2020 is also likely to have effect on the global economy. My hope is that it will not be a repeat of the Severe Acute Respiratory Syndrome (SARS) that we had badly experienced in 2003.

LAND TRANSPORT

Interest levels in electric vehicles (EVs) remained high. In PRC, which has the largest number of EVs, the Authorities have decided that when taxis have to be replaced, they have to use EVs. Subsidies have been granted to purchase these vehicles. However, not many drivers are keen to drive them because of a shortage of charging stations and the need to charge batteries frequently. There are cases of vehicles which are equipped with transferable batteries. Even that is not popular.

For the same reasons, EVs are also not popular in Singapore even though there are plans to expand the number of charging stations. The Minister for the Environment and Water Resources has also reflected on the lack of charging stations and has suggested that hydrogen could be a better bet in the longer term compared to EVs from a carbon footprint perspective.

In another development, the Singapore Government had appointed a team of US consultants to assess the feasibility of importing hydrogen for downstream use, ranging from vehicle fuelling to power generation. There are now more manufacturers who have jumped on the hydrogen bandwagon so we can expect more developments in this area going forward.

In the 2020 Singapore Budget approved in February, the Government has announced incentives for EVs to be introduced in an effort to promote cleaner energy by 2040. In this respect, internal combustion engine vehicles will be phased out and more charging points will be installed islandwide.

We have been involved in a total of three autonomous vehicle (AV) trials in Singapore. In July 2019, we launched our third trial with EasyMile of France in the National University of Singapore and it is operating well. We have also been operating two others in Sentosa and Jurong Island. The AV trial at Sentosa ended in November 2019. Meanwhile, the Singapore Government had decided to designate the whole of western Singapore as a testbed for AVs. With this expansion, there will be 1,000km of public roads for companies to conduct tests.

The Singapore Authorities have repeatedly emphasised the fact that the rail business in Singapore is incurring huge losses by the two operators and that the Government is spending and will continue to spend large sums of money in rail development and upgrading. The latest is an announcement by the Government to set up a S\$30 million rail staff development fund.

To help mitigate the high cost of running the rail network in Singapore, fares were raised by 7% with effect from 28 December 2019. The last increase was in December 2018 at 4.3%. These came after three consecutive years of reductions in 2015, 2016 and 2017.

Efforts by the Government to improve land transport have borne fruit as evidenced by the findings of the Annual Public Transport Customer Satisfaction Survey, conducted between mid-September and early-October 2019 with results released in February 2020. The mean satisfaction score was 7.8 out of 10, a slight decline from 7.9 a year earlier. Overall, satisfaction levels rose to 99.4% from 97.9% with bus achieving 99.3% (2018: 98.0%) and mass rapid transit (MRT) 99.5% (2018: 97.8%). The score for MRT service was 7.7 compared to 7.9 in 2018. Rail reliability improved to 7.9 from 7.6. This is a result of the Mean Kilometres Between Failure (MKBF) doubling to 1.32 million train-km from 0.66 million. Presently, all the MRT lines are exceeding the one million mark set by the Minister for Transport. In the case of bus service, the score was maintained at 7.9. Again, the improvement could be due to the implementation of the Bus Contracting Model in 2016.

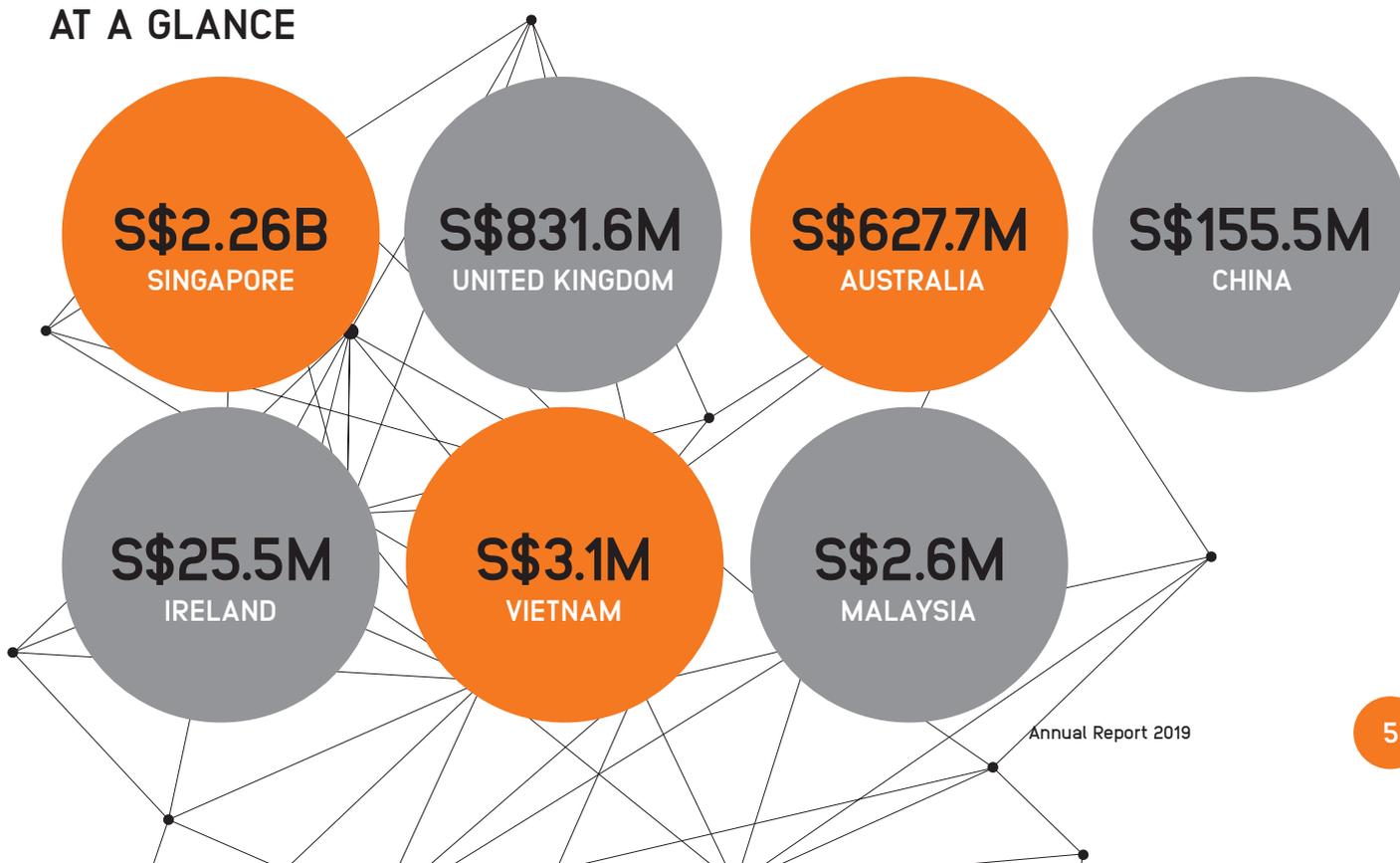
The Land Transport Master Plan 2040 (Plan) was unveiled during the year. It is the Government’s intention to have a

45-Minute City with 20-Minute Towns. This essentially means that all journeys to the nearest neighbourhood centre using Walk-Cycle-Ride modes of transport will take less than 20 minutes and 9 in 10 peak-period journeys using the same Walk-Cycle-Ride will be completed in less than 45 minutes. The Plan also conveys the policies of “Transport for All” and “Healthy Lives, Safer Journeys”.

To this end, the rail network will expand to 360km by 2030. Bus speeds will improve with 211km of bus lanes throughout Singapore as well as Transit Priority Corridors. The cycling path network will expand to 1,320km by 2030, thanks to a S\$1 billion Islandwide Cycling Network Programme. Self-driving bus services will be introduced. By 2040 also, the entire bus and taxi fleet will use cleaner energy. AVs will be deployed together with on-demand dynamically-routed buses in pilot programme in new towns such as Punggol, Tengah and the Jurong Innovation District. However, the trial for on-demand bus plans in the busy Central Business District was dropped because of poor participation and higher running costs compared to regular-fixed-route buses.

The Land Transport Authority (LTA) also streamlined rules for taxi firms and private hire companies. The Point-to-Point Passenger Transport Industry Act (Act) proposes to issue two operating licences: one for street-hail services and the other for ride-hail services. A street-hail service refers to a typical taxi ride excluding those that are booked. Booking service, either via a taxi operator or a private-hire car provider, falls under the ride-hail service. The Act also proposes to expand the regulatory scope of the Public Transport Council (PTC) to cover fares set by the ride-hailing operators as hitherto PTC

REVENUE AT A GLANCE



CHAIRMAN'S STATEMENT

only regulated bus and train fares. Thus far, taxi fares have not been regulated although taxi companies are required to keep the PTC informed of any fare adjustments. The Act is likely to be effective from September 2020.

The LTA will be spending more than S\$130 million on a trial to see if diesel-electric hybrid and battery-powered public buses are feasible as it works towards a 2040-target to have cleaner energy sources. The study sample is 50 hybrid and 60 pure electric buses. This is a small scale trial for the public bus population of 5,400 buses. The hybrid buses were deployed in late-2018 while the electric buses are slated to come onstream in 2020.

CORPORATE GOVERNANCE

(i) Code of Corporate Governance (Code 2018)

In the Annual Governance and Transparency Index Survey 2019 (11th year), our three listed companies continued to score well with ComfortDelGro Corporation Ltd improving by three points to 103, VICOM Ltd by one point to 101 and SBS Transit Ltd by three points to 87 while the average score of the 578 listed companies surveyed is 59.3, an improvement of three points from last year. While VICOM and SBS Transit retained their respective positions at 17th and 40th rankings, ComfortDelGro did better by rising to the 14th spot from 17th previously. Our three companies are still within the top 7% of all the listed companies.

We remain committed to upholding high standards of corporate governance in line with the Code 2018 which took effect in 2019. On the nine-year rule for independent directors which is effective 2022, four out of nine Directors or 44% in the ComfortDelGro Board have more than nine years of service. Discounting ComfortDelGro's nominees and non-independent Directors to the SBS Transit and VICOM Boards, there is only one Director out of eight or 13% in the SBS Transit Board and two out of seven or 29% in the VICOM Board with over nine years of service. We should have no difficulty adopting the nine-year rule.

As a requirement under the new Code 2018, the Board and its committees undertook self-evaluation exercises. A fresh set of forms, prepared by external consultants, was used for the first time.

ComfortDelGro strongly believes that good Corporate Governance makes good business sense. To this end, the Group maintains 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.

The Group is committed and adheres to the Code 2018 issued by the Monetary Authority of Singapore dated 6 August 2018 and ensures that it is upheld throughout the Group. The Group has also adopted a Code of Business Conduct, which sets out the principles and policies upon which the Group's 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.

(ii) Singapore Stock Exchange (SGX)

Out of 716 listed companies on the SGX as at 31 December 2019, our three listed companies, in terms of market capitalisation, were ranked as ComfortDelGro 33rd, SBS Transit 91st and VICOM 125th with market capitalisation of S\$5.2 billion, S\$1.2 billion and S\$685.2 million respectively. All three companies showed improvements in both ranking and market capitalisation.

We continued to enjoy the fast-track approval for certain corporate actions such as prioritised clearance for selected corporate-action submissions (circulars, request for waiver and applications for share placement). So do our other two listed companies. This privilege is extended to companies with good corporate governance practices and compliance track records.

SGX is expected to increase its regulatory presence to strengthen investor confidence and deter wrongdoings. There will be three fronts: increasing regulatory presence, raising standards, and calibrating rules for effectiveness. In early January 2020, SGX announced that quarterly reporting would cease to apply with effect from 7 February 2020. Consequently, we shall not release our first and third quarters results scheduled in May 2020 and November 2020 respectively.

(iii) Council for Board Diversity

In its latest progress report for the first half of 2019, the Council for Board Diversity stated that listed companies continued to add women directors to their boards. The proportion of the top 100 primary-listed SGX companies with flower power rose by 1% point to 16.2% as at the end of the year. Forty-two of these companies had achieved the first-tier target of at least 20% of women on boards. ComfortDelGro and SBS Transit are two of these companies. Though VICOM had also achieved the target, it is not included in the report as it does not belong to the top 100 companies. Female representation in our three companies was high at 30% for ComfortDelGro, SBS Transit and VICOM. Numerically, we have three female Directors per Board.

(iv) Singapore Institute of Directors (SID)

The Singapore Board of Directors Survey 2019, which was conducted between May and June 2019, saw a total of 127 responses, representing a response rate of nearly 20%. This series of surveys is conducted once every two years. The major findings of the 2019 Survey are classified into seven sections as (i) environment, (ii) board structure and directorship, (iii) board practices, (iv) strategy and execution, (v) remuneration and talent management, (vi) audit and finance and (vii) shareholder rights and responsibilities.

We are in line with most of these findings especially on increased concerns over cyber security, changing customer needs and technology changes. We however disagree with the survey in one aspect: that the remuneration of our Internal Audit Head, who reports to the Audit and Risk Committee (ARC) Chair, be decided by the ARC Chair. We believe his remuneration should

be reviewed by the Remuneration Committee (RC) like all senior staff for consistency. We also do not communicate with Shareholders via webcasts though this is becoming popular among 13% of the companies surveyed. We continue to use the findings to benchmark our non-executive Directors' fees. We also continue to disclose our Directors' fees on a named basis. Strategy discussions are held both during and outside board meetings. The latter is held once every two years. Talent management is reviewed by the RC.

(v) Corporate Awards

VICOM clinched three awards at the 20th Securities Investors Association (Singapore) Investors' Choice Awards. These are Singapore Corporate Governance Mid-cap category: Winner; Shareholder Communication Excellence Mid-cap category: Runner-up and Most Transparent Company Consumer Discretionary Services category: Runner-up. SBS Transit also clinched the Most Transparent Company Consumer Discretionary Services category: Runner-up.

In addition, the Chief Financial Officer (CFO) of VICOM, Mary Lee, won the 'Best CFO Award' for Mid-cap category in the Singapore Corporate Awards 2019.

(vi) Audit and Risk Committee (ARC)

I continued my practice of meeting up with the External Auditors and the three Chairpersons of our three ARCs in the absence of Management. No major issues surfaced. Management continued to render the necessary assistance and cooperation to the External Auditors in the discharge of their responsibilities and duties.

In 2019, the Internal Audit Unit conducted 31 internal audits including three ad-hoc investigations/support jobs. Fifteen of the reports or 48% were confined to overseas entities.

(vii) Investor Relations (IR)

Our IR Unit continues to be busy in engaging fund managers, analysts and equity sales personnel. In 2019, a total of 130 meetings was held with the various parties together with nine investor conferences and non-deal roadshows in Singapore, Kuala Lumpur (KL), Bangkok and Hong Kong. In 2019, 13 research houses tracked our stock and some 120 reports were issued.

Major issues raised included concerns on operating loss in the rail business and the declining taxi fleet in Singapore. We shared that disruptions to the taxi business in China, the UK and Australia by tech apps and private hire entities continued to pose significant risks to the taxi portfolio; operating margins in our bus business have also come under threat as a result of open tenders which are called at the end of contractual periods; and the likely impact of Brexit on our businesses.

Our personal approach to meeting and sharing our thoughts with Shareholders yearly at the Annual General Meetings (AGMs) continues to be effective, helpful and useful. We continue to be prompt and transparent in all our announcements. In 2019, we also had sessions with retail investors.

We are one of the 30 stocks in the Straits Times Index (ST Index). Our share price outperformed the ST Index and the

FTSE ST All-Share Index by margins of 5.7% and 4.1% points respectively. Dividend yields of the 30 component stocks of the ST Index range from 1.1% to 5.5% in 2019 with an average of 3.6%. Our figure of 4.5% places us in the 7th position.

In addition, we have been included as an index component of the Dow Jones Sustainability Index Asia Pacific. This Index tracks the stock performance of the world's leading companies in environmental, social and governance (ESG) performance and is seen as the gold standard in sustainability benchmarking. We are one of 148 companies in the Region and one out of five Singapore companies. In the last quarter of 2019, we have been included in the FTSE Value-Stocks Asean Index. We are one of 11 stocks from Singapore out of 50 in the Index drawn from Singapore, Indonesia, Malaysia, Philippines and Thailand stock exchanges. These inclusions reflect our standing in the investing community and put heavy responsibilities on Management.

(viii) Directors

We will continue to have one Director each retired at the AGMs of ComfortDelGro and VICOM in April 2020. With that, we shall have three Directors in ComfortDelGro and two in VICOM with more than nine years of service. SBS Transit will not retire any Director at the forthcoming AGM under its nine-year rule in April 2020. As such, there will be two Directors with more than nine years of service still remaining on its Board.

It is inevitable that with such early acceleration of planned retirement of Directors with more than nine years of service at each AGM, and new Directors appointed annually, the pace for retirement of long-tenure Directors will slow down as it is our intention to have a balance of directors with different years of service to maintain continuity. Now that our succession plans of director renewals have been put in place after four consecutive years of active execution, the slowdown of the pace will allow Directors to settle down and consolidate their plans, build on teamwork and Board-Management relationships.

My task to assemble teams of knowledgeable Directors for our three listed Boards is almost completed. We have a good mix of skill-sets among our Directors in business, technology, finance, labour movement and governmental relations, the right ingredients for us to continue to move forward in the unique Singapore tripartite style. This diversity has also included three female Directors per Board and we have already achieved the target set by the Council for Board Diversity.

Directors have to work as teams. They have to work well with Management in mapping strategies and setting directions. They should guide, advise and counsel Management and staff with realistic examples and effective networking. The challenge is to ensure that all views of our varied Directors are considered and no group-think exists.

Our Directors together with Senior Management held a retreat in July 2019 to review the Group's strategic plans for the future and provided helpful advice, astute guidance and invaluable insights to sharpen the direction and strategies the Group should take for the next few years. It is our plan to convene the retreat once every two years.

CHAIRMAN'S STATEMENT

SINGAPORE BUSINESSES

We continued to operate in eight business areas in Singapore in 2019 although our car rental operations now include a new offering: private hire. The eight areas were (i) Public Transport Services (Bus and Rail), (ii) Taxi, (iii) Car Rental and Private Hire, (iv) Engineering and Sale of Fuel, (v) Driving Education, (vi) Vehicle Testing and Non-Vehicle Testing Services, (vii) Vehicle and Outdoor Advertising and (viii) Insurance Broking.

In Scheduled Bus, we operated 223 services with 3,233 scheduled buses out of a holding fleet of 3,512 buses in 2019. This is about 61% of the market share. We operate about 31,000 bus trips per weekday.

The LTA has decided to open expiring bus routes for tenders via clusters instead of packages, as was the case in earlier tenders. In the first exercise under the new system, two packages out of the present 14 are out for bidding concurrently. The two packages are presently not run by us. We will submit our tender bids.

We continue to operate rail networks totalling 83km. This represents about 36% of current operating network. Weekly, we operate 4,029 trips under the North East Line, 4,228 trips under the Downtown Line and 17,967 trips under the Sengkang-Punggol Light Rail Transit systems. We carry 1.22 million passengers daily. A more detailed write-up appears in our listed subsidiary, SBS Transit's, Annual Report.

Activities under Unscheduled Bus cover Premium Bus Services licensed by the LTA, event bus charters and trips conducted for schools, companies and organisations. We continue to run five Premium Bus Services and seven school contracts. Large contracts, besides the major events, are with Shell Eastern Petroleum, SingHealth and National University of Singapore. With our two acquisitions in 2018, we now have 368 buses and place us in the leading position, ahead of our next rival which has about 250 buses.

Our leading position in Taxi continued with close to 60% of the market share. Overall, the taxi population had declined by 9.9% to 18,542 by the end of the year. Among the taxi operators, we enjoyed the lowest unhired rate of a low single digit which was about three times less compared to the overall market unhired rate. We continued to improve our phone booking app notwithstanding the keen competition from ride hailing apps. Dynamic fare pricing, additional payment modes and digital marketing elements were incorporated into the booking app to enhance our competitiveness and better customer experience. We experienced a single digit reduction in our total successful bookings in 2019 although there was an increase in the number of bookings per vehicle as a result of a reduced fleet. To further build up our technological capabilities, we set up two offshore software development centres in Chennai (India) and Yangon (Myanmar) to supplement our local resources. We are also accelerating the transition to electric hybrid vehicles for a more efficient fleet and a cleaner environment.

A new policy of levelling the playing field between private-hire vehicles and traditional taxis is expected to be put in place in September 2020 when the Point-to-Point Passenger Transport Industry Act comes into effect. This is already explained in the earlier part of my Statement under Land Transport.

The Car Rental business continues to have its own corporate niche clients. We have expanded this portfolio with a private hire arm which caters to those drivers who wish to drive approved private-hire vehicles instead of taxis.

Engineering has stepped up its sale of petrol since diesel sale has declined as we phase out the diesel vehicles. In-house engineering services are also declining as a result of a smaller taxi fleet but this is compensated with an increase in private sector vehicles and new private-hire vehicles.

Driving Education continues to do well. With its site tenure given a longer lease by the Singapore Land Authority, it underwent extensive renovation and enhancement works at the training site. Construction of the Simulator Centre was completed to house motorcar simulators, motorcycle simulators and instructor consoles. We have a fleet of 163 motorcars (manual and auto) and 83 motorcycles of different classes.

In Vehicle Testing, we continued to be the leader in the industry with a share of about 74% of the market. The Non-Vehicle Testing continued to face challenges in sectors which are slowing down. We are renovating our newly acquired premises for expansion. More details of these two businesses can be found in our listed subsidiary, VICOM's, Annual Report.

Vehicle and Outdoor Advertising, while continuing to do well to support the loss-making rail business, will be facing challenges as the Authorities have announced that non-fare revenue entities will be carved out of fare revenue activities. A precedent has been set with the opening of the Thomson-East Coast Line where this business was separately tendered.

The Insurance Broking business was also affected by the reduced taxi fleet. Our Group overall coverage was however enhanced and premiums reduced due to the installation of safety features in our vehicles and other risk management initiatives. In 2019, it assumed a wider responsibility with oversight in all our businesses, both locally and abroad, after we made it into our wholly-owned entity. Claim units in our various locations have also been streamlined.

The year under review has been generally good for our Singapore businesses. While we continue to face keen competition in the delivery of taxi services, we are hopeful that the Point-to-Point Passenger Transport Industry Act will level the playing field. There is scope for us to expand in the Unscheduled Bus business as well as the Private Hire business as we step up our technological efforts. The Rail business continues to be a challenge. We shall, however, make preparations to bid for the new lines that will be tendered in 2020. We do not rule out the possibility of seeking an overseas experienced rail operator to partner with us since we are, compared to our Bus business, comparatively new in the rail aspect.

OVERSEAS BUSINESSES

(A) DEVELOPMENTS

In 2019, we had six major business areas overseas. Except for Rail, Insurance Broking, and Vehicle Testing, all other business interests in Singapore are carried out overseas like (i) Public Transport Services (only bus and coach), (ii) Taxi and Taxi Circuit,

(iii) Car Rental and Private Hire, (iv) Driving Education and (v) Vehicle and Outdoor Advertising. In addition, we operate Non-Emergency Patient Transport Services in Australia – something we currently do not operate in Singapore. We also have a small testing laboratory in KL (Malaysia) for Non-Vehicle Testing Services. The number of overseas countries remained unchanged at six with Australia, the UK, PRC, Vietnam, Malaysia and Ireland, in order of the size of our investment.

Investments in Malaysia and Vietnam continued to be difficult and small. After a record expansion in Australia in 2018, we made another in early 2019: B & E Blanch with 48 buses/coaches and three depots in the North Coast of New South Wales (NSW) was acquired for A\$28.3 million. We also acquired two school routes in Gladstone, Queensland, to increase our market share there.

In the light of deregulations of the taxi industry in Melbourne and Perth, we proceeded to expand our fleets in these two locations. It is our hope that with the change of the business model in these two Australian cities, we will be able to bring our experience and expertise in Singapore to bear since they are now operating with a model similar to Singapore.

Australia is now our largest overseas investment destination overtaking the UK. Opportunities to do more are still available. We are accelerating our corporate restructuring and development activities so as to bring shareholder value to our huge investments.

(B) OPERATIONS

(i) Australia

We continue to operate four business interests in Australia. These are (i) Scheduled and Unscheduled Bus, (ii) Taxi and Taxi Circuit, (iii) Non-Emergency Patient Transport Services and (iv) Vehicle Advertising. We are present in NSW, Victoria, Northern Territory, Queensland, Western Australia and Australian Capital Territory.

Our Scheduled and Unscheduled Bus business is doing well with 2,575 vehicles and 3,264 drivers (2,475 permanent and 789 casual). This is about 73% of Singapore's fleet. It has overtaken our UK operations in terms of size by about 62%. Its activities, besides scheduled routes, are also in school contracts and charter services. We are one of the leading private bus operators in Australia.

2019 was a year of consolidation after the massive acquisitions of 2018. We also completed one acquisition in early-2019 and this too has been consolidated. Activities around integration commenced and continue in areas such as branding, legal, finance and tax, systems, synergies and savings and organisation development.

The Taxi and Taxi Circuit business faced some challenges as we proceeded to expand our fleets in Melbourne and Perth post-deregulation. High targets have been set for Management to achieve. The initial teething problems and issues, expected as a result of a change in the business model, should be overcome with assistance and help from the experienced Singapore operations. This is where the Group's international expertise serves as a definite strength.

The Non-Emergency Patient Transport business has won a few contracts. It should grow in the three cities (Melbourne, Perth and Sydney) where it operates. Should other state governments privatise this aspect of the business, the Group would be in a better position to compete. Meanwhile, our Management is exploring with Authorities in locations where we have a presence.

The Vehicle Advertising business is doing well with the large fleets of our buses in the various locations.

(ii) United Kingdom

We have four business interests in Scheduled Bus, Coach, Taxi Circuit and Private Hire. We are in five cities: Aberdeen, Cardiff, Glasgow, Liverpool and London.

In the Scheduled Bus business, we continue to see strong and aggressive competition in London with operators undercutting margins to secure contracts. We operate 94 routes with 1,591 buses and have a driver strength of 4,220 coming from 73 countries, although the majority is British (65%). About 25% of the drivers are Non-British EU nationals so Brexit may have an impact on future recruitment. In terms of routes, we hold the distinction of operating two which run entirely on EVs. London's fleet size is about 46% of Singapore's fleet size.

The Group enjoys 17.2% of the London market share. We rank third with Go-Ahead Group plc (British Company) as first with 24.2% of the market share. Arriva plc (German Company) is second with 18.0%. Those behind us are Stagecoach Group plc (British Company), the RATP Group (French Company), Abellio UK (Dutch Company) and Tower Transit (Australian Company).

Our Coach business continues to do well as a whole. We have these services in London, Wales and Scotland together with an inter-city service between Scotland and London. In London, operating under the trade name of Westbus, we cater to inbound tourism. We also have some school and college work. The Scotland to London inter-city operations, operated from Glasgow, continue to do well but the newly acquired Wales operation, based in Cardiff, is facing some challenges.

The Taxi Circuit business continues to face tough challenges with a huge number of private-hire vehicles and third-party apps competing in the already tight market. We continue to have three taxi circuits in Aberdeen, Liverpool and London. Our small Private Hire business in London lacks scale but it complements our Taxi Circuit business. It too is facing a tough time.

One thing that appears clear after Brexit is that the age of austerity within the UK Government is over as all political parties had come up with large spending plans in their campaigns for the General Elections in December 2019. This should be positive for businesses with the proviso that the plans are affordable. We expect some form of certainty as a result of the Conservative Party winning handsomely at the General Elections.

(iii) People's Republic of China

The Group has four business interests in China: Taxi, Bus Station, Car Rental and Driving Education. We are present in nine cities: Beijing, Chengdu, Guangzhou, Jilin City, Nanjing, Nanning, Shanghai, Shenyang, and Suzhou.

CHAIRMAN'S STATEMENT

Our biggest business portfolio is Taxi which we operate in eight cities, save Guangzhou. We have 11,417 taxi licences – which means our China fleet is now larger than our Singapore fleet. Our utilisation rate is 96% or 10,997 licences and the business remains profitable with an acceptable margin as private hire vehicles are strictly controlled by the Authorities. We are still a major overseas taxi operator with leading position in Shenyang, Nanning and Jilin City. We are second in rank in Chengdu, third in Beijing and fourth in Nanjing.

The Bus Station business in Guangzhou continues to do well. It is continuously being challenged by the opening of new high speed rail lines. Car Rental business for individuals is facing challenges compared to our earlier years of dealing with corporates. We intend to wind down this business which is in Chengdu only. The Driving Education business is also not faring that well. The new school in Nanjing is performing satisfactorily but the old school in Chengdu continues to face new challenges as rules are changed repeatedly and there is fear that the Authorities may take back the premises.

Overall, the operating climate in China is tough. Earlier advantages of coming to do business in China are fast disappearing. We need to be alert and spot on when opportunities arise. We also need to take more calculated risks compared to other developed countries.

(iv) Ireland

The Irish Coach operation, with its headquarters in Galway, continued to do very well, carrying over one million passengers in 2019. The operation has five routes serving such towns and cities as Dublin, Galway, Cock, Limerick, Clifden and Athlone.

(v) ASEAN: Vietnam and Malaysia

Our operations in KL (Malaysia) and Ho Chi Minh City (Vietnam) are still small. The former in Car Leasing business is performing satisfactorily but the latter in Taxi business is facing challenges with the abundance of private-hire vehicles and an uncontrolled set of business regulations. If the situation in Vietnam persists, there is a very strong possibility that the Group may exit the business like the first taxi company which was liquidated in 2019.

MANPOWER

Our global manpower strength in 2019 was 24,329. There is a decrease of 368 staff from 2018. The average staff cost per day was S\$4.73 million which is 4.23% higher than 2018. The Group has a good mix of nationalities with large numbers coming from countries where we have investments. Singapore, the Group Headquarters, has 57% of the Group's staff strength. The Group's largest overseas investment destination, Australia, has 16% while the UK/Ireland and China constitute 24% and 3% respectively. In terms of nationality, we have a global mix including 30% Singaporeans, 20% Malaysians, 15% Australians, 10% British and 7% PRC nationals. These five nationalities take up 82% of the Group's total staff strength. About 43% of the Group's workforce continues to be based out of Singapore, closely in line with the Group's overseas revenue.

With massive investments in Australia spreading over the entire Australian Continent, we have created a new position designated as Australian Head. This is similar to the China Head position which we created previously to manage our

operations in all the Chinese cities. In addition, four staff were recruited to augment our Senior Management pool. These are intended for the Business Development and Transformation Office, Singapore Taxi, ComfortDelGro Bus as well as the replacement for the Group CFO who retired earlier in the year. We expect to recruit more senior staff to improve our Management strength.

INFORMATION TECHNOLOGY (IT)

As we embark on our digital transformation journey, a significant IT investment was spent on digital initiatives to introduce new services, expand our digital touchpoints with customers and enhance customer experience. In addition to enhancing the user interface to make taxi booking seamless and fast, we introduced new functionality in our taxi booking app which included card-on-file support for credit/ATM cards, dynamic pricing and instant redemption of loyalty points.

A new operating model to serve commuters better using on-demand bus services was trialled in Australia and Singapore. Robotic Processing Automation (RPA) is being piloted in Human Resource to automate the employee onboarding process and more use cases to drive operational efficiencies have been identified for the next phase of RPA implementation.

The Group has been following best practices in IT security closely. Recommended security controls are being reviewed regularly and control measures have been put in place where applicable. We also subscribe to an independent external security rating service that monitors and assesses our cyber security posture.

The Group has adopted cloud-first strategy in implementing digital solutions and leveraged on cloud technology to modernise and optimise existing IT systems to increase operational efficiency while driving business agility. The Group has also initiated projects that utilise data science to drive efficiency by cutting down maintenance costs through predictive analytics.

Our efforts to continue investing in IT resulted in total operating expenditure of S\$34.7 million in 2019. This is 15% more than 2018. Capital expenditure for 2019 was S\$30.3 million which is also 15% higher than 2018. The total expenditure in IT in 2019 was S\$65.0 million. This is 15% more than 2018. It represents 1.7% of our Group Total Revenue.

FINANCE

Group Total Revenue in 2019 was S\$3,905.7 million, 2.6% higher than 2018. This is indeed remarkable under such adverse disrupted business conditions, coupled with the weakness in foreign currencies against our reported currency. Group Total Operating Profit was S\$415.8 million, 5.2% lower than 2018, due mainly to additional expenses incurred in building up our manpower in areas which are new and where we lack. There is also the inevitable higher spend and investment in IT for business improvements and sustainability. Unsuccessful tender bids in new markets also contributed to the increased expenditure. Group Operating Profit margin declined by a quantum of 0.9% point to 10.6%. This is still attractive in present business circumstances. It will be a challenge to maintain this margin.

Overseas Total Revenue was 42.1% of Group Total Revenue. This is 1.0% point higher than 2018. Primarily, the increase was due to the massive acquisitions made in Australia in 2018. Overseas Total Operating Profit was 33.7%, 1.9% points lower than 2018.

The bulk of the Group Total Revenue was derived from Public Transport Service (Bus, Coach and Rail) contributing about 74% of Group Total Revenue. Contribution from the Taxi sector was next with 17% of Group Total Revenue. These two sectors contributed 91% of Group Total Revenue. To be expected, the Public Transport Service sector contributed 54% of Group Total Operating Profit while the Taxi sector contributed 25%. When combined, these two major sectors contributed 79% of Group Total Operating Profit.

Group Profit Before Tax in 2019 was S\$406.6 million. Unfortunately this was 7.4% lower than 2018. Consequently, Profit Attributable to Shareholders declined by 12.6% to S\$265.1 million. This is still a meaningful figure viewed against the difficult business conditions and environment under which we operate in the various parts of the world whose currencies are weakening against our reporting currency.

Earnings per share for 2019 was 12.24 cents. This is still a decent figure compared to 2018's 14.01 cents. The net asset value per share was 119.80 cents. This is 0.7% lower than the previous year. Returns to both equity and total assets were 10.2% and 6.1% respectively (2018: 11.6% and 7.2%). In such adverse and hostile environment, these figures are reasonable.

Capital expenditure in 2019 was S\$506.7 million. This is far higher than the 2018's figure of S\$352.8 million. The main reason is the accelerated replacements of diesel taxis in Singapore by hybrid taxis to take advantage of the tax incentive.

The balance sheet continued to look strong and healthy. Group Total Assets grew to S\$5.4 billion, a rise of 4.7%. Group Total borrowings and Lease liabilities from financial institutions had increased to S\$634.2 million. The Group is now in a net debt position of S\$40.0 million compared to a net cash position of S\$16.2 million in 2018 resulting in a net gearing ratio of 1.3%. The Group gross gearing ratio position is 21.1%.

Despite the lower earnings in 2019, the Board of Directors is pleased to recommend a final tax-exempt one-tier dividend of 5.29 cents per share. If approved by Shareholders at the AGM on 24 April 2020, the total dividend for the year 2019 would be 9.79 cents per share. This is comparable to that paid in 2018 of 10.50 cents.

The dividend payment in 2019 represents 80.0% of our profit (2018: 75.0%). This is far higher than our declared policy of paying at least 50% of our profit as dividend. Against the year-end closing price of S\$2.38, the yield is 4.1%. This is acceptable in the present low bank interest environment.

SUSTAINABILITY REPORTING

In 2019, a Group level Enterprise Risk Management (ERM) exercise was conducted. Several top-tier risks were identified, including (i) Competition Risk, (ii) Technology Exploitation Risk and (iii) Cyber Risk. ComfortDelGro Corporation Headquarters also conducted a one-week off-site exercise to validate its

Business Continuity Plan (BCP). We also embarked on a Group ERM framework review for our three listed companies, where an external consultant was engaged to evaluate our risk governance, structure and processes.

In the area of sustainability, we strengthened our governance by establishing a Sustainability Steering Committee under the chairmanship of Managing Director/Group Chief Executive Officer (MD/Group CEO). In the Environmental domain, we aim to halve our Greenhouse Gas emission intensity from the 2015 level by 2030. In the Social domain, we have set a target of zero fatality for both road and workplace safety. In the Governance domain, our responsibility encompasses governance and anti-corruption as well as data privacy and fair practices for our supply chain partners.

A separate and more detailed sustainability report is being produced to accompany this annual report. It is our fifth report.

TRANSFORMATION OFFICE

The Transformation Office has adopted "Mobility Comes to Life" as the strategic vision that will guide our transformation journey. Central to the strategic vision are the dual concepts of "Physical Mobility" and "Digital Mobility". In order for the Transformation Office to drive the transformation journey, several key initiatives were launched in 2019. These include (i) Project Zest, a digital masterplan that aims to bundle all our services under a single app called ZEST and (ii) ComfortDelGro Ventures, a corporate venture fund that was set up to identify strategic investments to support the Group's business transformation.

We have invested in three companies: (i) Ministry of Movement (SWAT), (ii) Foretellix and (iii) Haulio. SWAT is a demand response transport technology provider based in Singapore. Foretellix is an AV safety testing and compliance technology company based in Israel. Haulio is a container trucking technology company incubated by the Port of Singapore Authority, and based in Singapore. In parallel, our Car Rental Business Unit is collaborating with Haulio to start a vehicle leasing programme to rent trucks directly to drivers.

With trials in autonomous buses in Singapore, together with our investments in SWAT and Foretellix, it is our plan that trials in autonomous taxis will be next to complete our entire ecosystem in managing AVs.

The Transformation Office is also involved in other projects across various Business Units to support the Group's transformation journey. These projects can be categorised into four broad areas as (i) business and revenue models, (ii) operations and processes, (iii) technology and intellectual property and (iv) eco-system and partnerships.

COVID-19

The outbreak of COVID-19 in January 2020 has understandably created panic and anxiety in the global community. For the protection of our commuters and employees, we have stepped up the cleaning and disinfection of our premises and vehicles.

Our BCPs have also been activated as we split our employees into teams to work at different locations. Telecommuting is also an option offered to employees.

CHAIRMAN'S STATEMENT

The Group has also pooled our collective resources during these difficult times to source for items like masks and disinfectants which are critical for our frontline and backend staff. For example, we had shipped over 150,000 surgical masks and 30,000 gloves from Singapore in mid-January 2020 to help supplement dwindling supplies in our China operations. As the outbreak worsened around the world, we worked collectively to source for supplies for all our operations.

With regards to our cabbies, we have extended financial aid in the form of rental rebates to them during these difficult times. In Singapore, for example, we have announced a S\$19 million relief package to help cabbies who have seen demand drop significantly. We continue to monitor the unfolding situation and stand ready to do more to assist where needed.

Although this is a difficult time, I am heartened to know that it also brought out the best in many individuals who have come forward to cheer our frontliners on with words of appreciation and gifts.

OUTLOOK

The outlook for 2020 and beyond continues to be challenging with disruptors getting more aggressive and the political situation uncertain and unpredictable. Global Taxi business will continually be challenged by private-hire vehicles and tech apps. In some countries, the playing field is quite level and in others it is still uncertain. Singapore will be facing the implementation of the new Point-to-Point Passenger Transport Industry Act in 2020.

Competition in the global Bus business is likely to intensify with margins being slashed. We have to meet this inevitable challenge. Our expertise in tendering has to be strengthened.

Our transformation journey will need to be more focussed. More talent has to be recruited to undertake the tasks mapped out in the journey.

We shall continue to explore new business destinations. Acquisitions will continue to be our emphasis.

APPRECIATION

MD/Group CEO, Mr Yang Ban Seng continues to discharge his responsibilities and duties well. Not only has he to manage the existing businesses, he has to expand and transform the

enterprise at the same time. This is a tall order under present difficult operating environment. The Group is facing tough and challenging times.

Continuing our director succession plans initiated four years ago, Mr Ong Ah Heng, a Director who has been with us since 1999 under the Comfort Group, will retire at the forthcoming AGM in April 2020. On behalf of the Board of Directors and Management, I wish to thank him wholeheartedly for his many years of pioneering, valuable and significant contributions especially in the important area of Labour-Management relations. We are deeply grateful for his guidance in the area of Labour-Management relations especially in areas like collective agreements. This has resulted in an undisrupted working atmosphere over the decades.

I wish to thank Management and Staff, both locally and abroad, and led by Ban Seng, for their untiring efforts and extremely hard and dedicated work in performing their duties under harsh conditions. This was especially so for our colleagues in Australia, who had to face the unprecedented and prolonged bushfires in late-2019 and early-2020. In an attempt to assist firefighting efforts and support families with immediate housing and living needs, we set up the ComfortDelGro Corporation Australia We Care Fund with an initial amount of A\$250,000. Our employees who have had to evacuate or have lost their homes as a result of the fires are eligible for individual grants. To those in the UK, we empathise their concern over the issue of Brexit. To those in China, we continue to hope for the speedy end of the COVID-19 outbreak. We hope everyone of our staff keeps safe and healthy.

Together we will continue to deliver safe, prompt, reliable and affordable services. Our efforts will not be complete without the sincere assistance and cooperation of the various Trade Unions, Regulators and other Stakeholders. My deepest appreciation to all.

With all that we are doing, I am hopeful that we will be adequately prepared for the challenges and tasks ahead. I am also confident that we will continue to deliver quality services to the people and communities we serve.

LIM JIT POH

Chairman

MARCH 2020

GROUP FINANCIAL HIGHLIGHTS

REVENUE

(S\$'mil)



PROFIT ATTRIBUTABLE TO SHAREHOLDERS

(S\$'mil)



EARNINGS PER ORDINARY SHARE

(cents)



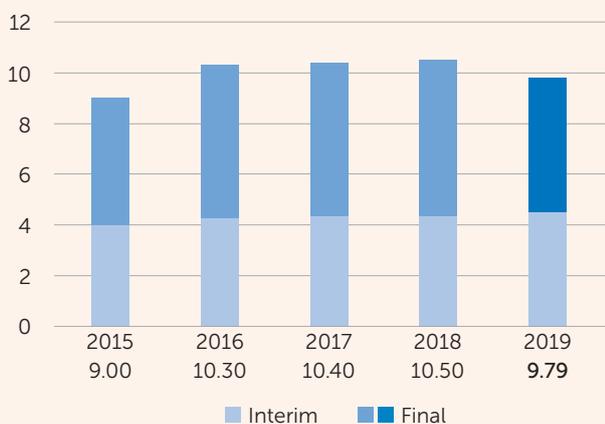
NET ASSET VALUE PER ORDINARY SHARE

(cents)



TOTAL DIVIDEND PER ORDINARY SHARE

(cents)



VALUE-ADDED PER EMPLOYEE

(S\$'000)



GROUP FINANCIAL HIGHLIGHTS

FINANCIAL SUMMARY

	2015	2016	2017	2018	2019
Revenue (S\$'mil)	3,725.7	3,635.5	3,576.4	3,805.2	3,905.7
Operating Costs (S\$'mil)	3,275.0	3,173.3	3,167.2	3,366.4	3,489.9
Operating Profit (S\$'mil)	450.7	462.2	409.2	438.8	415.8
Profit Attributable to Shareholders (S\$'mil)	301.9	317.1	301.5	303.3	265.1
EBITDA (S\$'mil)	840.0	858.2	818.0	832.0	868.8
Issued capital (S\$'mil)	665.5	676.9	688.2	691.1	692.2
Capital and reserves (S\$'mil)	2,335.1	2,475.5	2,618.2	2,613.6	2,595.0
Capital disbursement (S\$'mil)	650.5	466.5	365.4	325.0	466.3
Return on shareholders' equity (%)	13.3	13.2	11.8	11.6	10.2
Earnings per ordinary share (cents)	14.07	14.72	13.95	14.01	12.24
Net asset value per ordinary share (cents)	108.60	114.77	121.01	120.70	119.80
Interim dividend per ordinary share (cents)	4.00	4.25	4.35	4.35	4.50
Final dividend per ordinary share (cents)	5.00	6.05	6.05	6.15	5.29
Total dividend per ordinary share (cents)	9.00	10.30	10.40	10.50	9.79
Dividend cover (number of times)	1.6	1.4	1.3	1.3	1.3

GROUP REVENUE BY BUSINESS SEGMENT

	2015		2016		2017		2018		2019	
	S\$'mil	%								
Public transport services	2,332.5	62.6	2,307.3	63.5	2,400.9	67.1	2,711.0	71.3	2,879.2	73.7
Taxi	941.0	25.3	916.8	25.2	804.7	22.5	726.5	19.1	668.6	17.1
Automotive engineering services	238.5	6.4	204.8	5.6	171.1	4.8	166.1	4.4	159.1	4.1
Inspection and testing services	107.5	2.9	103.7	2.9	100.7	2.8	107.5	2.8	100.9	2.6
Driving centre	38.9	1.0	39.7	1.1	42.0	1.2	43.3	1.1	48.1	1.2
Car rental and leasing	38.3	1.0	36.3	1.0	31.4	0.9	26.7	0.7	28.0	0.7
Bus station	29.0	0.8	26.9	0.7	25.6	0.7	24.1	0.6	21.8	0.6
Group	3,725.7	100.0	3,635.5	100.0	3,576.4	100.0	3,805.2	100.0	3,905.7	100.0

GROUP REVENUE BY GEOGRAPHICAL SEGMENT

	2015		2016		2017		2018		2019	
	S\$'mil	%								
Singapore	2,092.4	56.2	2,133.3	58.7	2,108.6	59.0	2,241.4	58.9	2,259.7	57.9
United Kingdom / Ireland	1,014.6	27.2	912.5	25.1	855.6	23.9	891.0	23.4	857.1	21.9
Australia	387.1	10.4	385.5	10.6	423.6	11.8	503.4	13.2	627.7	16.1
China	219.7	5.9	192.4	5.3	179.2	5.0	163.5	4.3	155.5	3.9
Vietnam	8.7	0.2	8.9	0.2	6.8	0.2	3.3	0.1	3.1	0.1
Malaysia	3.2	0.1	2.9	0.1	2.6	0.1	2.6	0.1	2.6	0.1
Group	3,725.7	100.0	3,635.5	100.0	3,576.4	100.0	3,805.2	100.0	3,905.7	100.0

OPERATING PROFIT BY BUSINESS SEGMENT

	2015		2016		2017		2018		2019	
	S\$'mil	%								
Public transport services	177.7	39.4	178.3	38.6	180.1	44.0	216.5	49.3	224.3	53.9
Taxi	163.9	36.4	167.5	36.2	134.0	32.7	129.4	29.5	104.2	25.1
Automotive engineering services	41.2	9.1	50.7	11.0	33.9	8.3	25.3	5.8	27.8	6.7
Inspection and testing services	37.7	8.4	34.8	7.5	32.6	8.0	39.8	9.1	30.6	7.4
Driving centre	8.5	1.9	10.6	2.3	9.8	2.4	11.8	2.7	14.6	3.5
Car rental and leasing	9.2	2.0	8.1	1.8	6.9	1.7	4.9	1.1	4.3	1.0
Bus station	12.5	2.8	12.2	2.6	11.9	2.9	11.1	2.5	10.0	2.4
Group	450.7	100.0	462.2	100.0	409.2	100.0	438.8	100.0	415.8	100.0

OPERATING PROFIT BY GEOGRAPHICAL SEGMENT

	2015		2016		2017		2018		2019	
	S\$'mil	%								
Singapore	245.1	54.4	275.1	59.5	243.9	59.6	282.7	64.4	275.8	66.3
United Kingdom / Ireland	92.2	20.5	80.7	17.5	60.7	14.8	53.0	12.1	41.2	9.9
Australia	62.9	13.9	57.3	12.4	60.1	14.7	64.1	14.6	78.0	18.7
China	48.6	10.8	47.4	10.2	44.0	10.8	39.5	9.0	20.6	5.0
Vietnam	1.3	0.3	1.2	0.3	-	-	(0.9)	(0.2)	(0.2)	-
Malaysia	0.6	0.1	0.5	0.1	0.5	0.1	0.4	0.1	0.4	0.1
Group	450.7	100.0	462.2	100.0	409.2	100.0	438.8	100.0	415.8	100.0

VALUE-ADDED FOR THE GROUP

	2015		2016		2017		2018		2019	
	S\$'mil	%								
Suppliers of capital - loan interest and dividends	232.7	9.7	244.4	9.9	294.1	12.0	291.1	11.1	295.5	10.9
Taxation to the government	242.9	10.1	243.8	9.9	212.7	8.7	198.3	7.6	193.0	7.1
Retained earnings	521.0	21.7	528.4	21.3	450.2	18.3	463.4	17.8	489.0	18.1
Employees - salaries and other staff costs	1,403.5	58.5	1,458.0	58.9	1,495.2	61.0	1,656.1	63.5	1,726.2	63.9
Total value-added	2,400.1	100.0	2,474.6	100.0	2,452.2	100.0	2,608.9	100.0	2,703.7	100.0
Number of employees	21,975		22,176		21,983		23,308		24,513	
Value-added per employee (S\$'000)	109.2		111.6		111.5		111.9		110.3	

AWARDS AND ACCOLADES

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

ComfortDelGro Corporation

1. Distinguished Friend of Lions Befrienders Service Association (Singapore)
2. Silver Award in the “Excellence in Retention Strategy” category at the HR Excellence Awards 2019 by Human Resources Online

Beijing Jin Jian Taxi Services

3. Beijing “Advanced Traffic Safety Unit” for Year 2018 by the Beijing Traffic Safety Committee
4. Beijing Workers Pioneer in 2019 by the Beijing Federation of Trade Unions and Beijing Human Resources and Social Security Bureau

Chengdu ComfortDelGro Taxi

5. Huang Guang Ming and Huang Zhi Jin were Finalists for the Passion! Award 2018
6. Yao Gang received the Excellent Driver Award from the Chengdu Transportation Bureau
7. Awarded Sichuan Integrity Enterprise in 2019 by the Sichuan Provincial People’s Government

CityCab (Shenyang)

8. 22 taxis won the “Model Taxi” Award
9. 149 cabbies were awarded the “Star Driver” title
10. AAA Standard Enterprise for 2018

ComfortDelGro Bus

11. 7 National Kindness Award-Transport Gold 2019 winners
12. Merit Award in the “Non-public Bus Fleet” category at the Singapore Road Safety Awards 2019 by the Singapore Road Safety Council (SRSC)

ComfortDelGro Corporation Australia

13. Brian Tisdall was the winner of The Manmeet Sharma Perpetual Professional Driver Award by the Queensland Bus Industry Council
14. Bronson Farrugia was joint winner of the Apprentice of the Year Award by the Queensland Bus Industry Council
15. Buslink Gladstone recognised for 20 years of service by the Queensland Bus Industry Council
16. Glenn Sharp was awarded the Metropolitan/Outer Metropolitan Bus Driver of the Year Award at the BusNSW’s Bus Driver of the Year Awards
17. Sean Moller was joint winner of the 2019 Apprentice of the Year Award by the Bus Association of Victoria
18. Coastal Liner received a Certificate of Appreciation from NSW Rural Fire Service
19. Hunter Valley Buses received a “Thank You” Award from Westpac Rescue Helicopter

ComfortDelGro Driving Centre

20. Ng Soon Lai, Lawrence was Finalist for the Passion! Award 2018
21. Certified On-the-Job Training Centre (COJTC) by the Institute of Technical Education (ITE)
22. ISO 9001:2015 Quality Management System Certification
23. Received the “Assisted Compliance Assurance Award (ACAP) Premium” status by the Inland Revenue Authority of Singapore (IRAS)
24. Singapore Quality Class Star with People Niche Recertification by Enterprise Singapore

ComfortDelGro Engineering

25. 17 National Kindness Award-Transport Gold 2019 winners
26. 50 Excellent Service Award 2019 winners



1.



2.



6.



12.



24.



30.



33.



37.



55.



58.



61.

- 27. bizSAFE Star Recertification by the Workplace Safety and Health Council
- 28. BS OHSAS 18001:2007 Occupational Health and Safety Management System Recertification
- 29. COJTC Distinguished Partner Award by ITE
- 30. Eco-Office Certification by the Singapore Environment Council (SEC) and attained "Champion Award" status
- 31. ISO 9001:2015 Quality Management System Certification

ComfortDelGro Taxi

- 32. Tan Boon Tong and Low Siang Lee were awarded Champion and Merit respectively in the "Safe Driver Award" category at the Singapore Road Safety Award 2019 by the SRSC
- 33. 33 National Kindness Award-Transport Gold 2019 winners
- 34. 95 Excellent Service Award winners
- 35. CityCab and Comfort received the Excellence and Merit Award respectively at the 21st Annual Safety, Health and Environmental Award Convention 2019 by the Land Transport Authority (LTA)
- 36. Named "Friend of Singapore Red Cross" at the Singapore Red Cross 70th Anniversary Award Ceremony 2019
- 37. Special Mention (Distinction) Award at the Singapore HEALTH Award 2019 by the Health Promotion Board

GobblerCo

- 38. Certificate of Recognition at the 5th Enabling Employers Award by SG Enable

Guangzhou Xin Tian Wei Transportation Development

- 39. Liang Xue Jin and Liu Jia Yu were Finalists for the Passion! Award 2018
- 40. 2019 Spring Festival "Excellent Unit" by Guangzhou Changyun Group Limited
- 41. Named "Charitable Unit" at the 2019 Spring Festival Charity Event by the Guangdong Province Youth Development Foundation

Jilin ComfortDelGro Taxi

- 42. Li Cui Ying was Finalist for the Passion! Award 2018
- 43. Quan Sheng Bo and Wang Yu Mei were awarded "Outstanding Founder of Civilised City" by the Create Civilised City Management Office
- 44. Wang Yu Mei was awarded "Excellent Cabby" by the Jilin City Taxi Management Office and "Top 10 Warm-hearted Person" by the Jiangcheng Evening News

- 45. Named "Outstanding Unit" at the Jilin Youth Civilisation Quality Service Competition by the Jilin Municipal Committee of the Communist Youth

Metroline

- 46. The School Library Bus was awarded Bronze in the "Bus & the Community" category at the UK Bus Awards 2019
- 47. Metroline was Finalist in the "Environmental Award" category at the UK Bus Awards 2019
- 48. Alperton Garage was Finalist in the "Top London Bus Garage" category at the UK Bus Awards 2019
- 49. Willesden Garage was Finalist in the "Best Vehicle Care" category at the UK Bus Awards 2019
- 50. Agnieszka Narbut was Finalist in the "Top London Bus Driver" category at the UK Bus Awards 2019
- 51. Mitesh Patel received a Special Commendation for Outstanding Service in the "Unsung Hero" category at the UK Bus Awards 2019
- 52. Holloway Garage was named "Environmental Campaign Champion" at the London Bus Awards 2019
- 53. Mathew Retter was winner in the "Electrical Technician" category at the Institute of Road Transport Engineers Skills Challenge 2019
- 54. Wolfgang Chindamo was Finalist for the Passion! Award 2018

Moove Media

- 55. Best Partnership Award (Merit) at the Singapore Media Awards 2019

Nanning Comfort Transportation

- 56. Li Fang Jie was awarded the "Trade Union Activist" by the Trade Union Working Committee of Nanning High-Tech District
- 57. Mo Xiu Lian was awarded the "Outstanding Trade Union Cadre" by the Trade Union Working Committee of Nanning High-Tech District
- 58. Awarded "Harmonious Labour Relations Unit" by the Trade Union Working Committee of Nanning High-Tech District
- 59. Named "Charitable Unit" in 2019 by Guangxi Traffic Radio

SBS Transit

- 60. Abdul Azim Bin Abdul Azizam was Finalist for the Passion! Award 2018
- 61. Arifin Bin Abdul Talib and Chew Wi Meen were awarded the SkillsFuture Fellowship 2019 by the SkillsFuture Singapore

AWARDS AND ACCOLADES

62. S Muthiah s/o Suppiah won the Safe Driver Award (Public Bus Category) at the Singapore Road Safety Awards 2019
63. 5 Outstanding Service Individual (Public Transport) winners at the Land Transport Excellence Awards (LTEA) 2019
64. "Best Land Transport Operations & Maintenance Initiatives Award" for North East Line (NEL) and "Best Transport Operations & Maintenance Initiatives (Merit)" for Downtown Line at LTEA 2019
65. MOT Challenge Shield Award for "Most Reliable MRT Line" for NEL at LTEA 2019
66. 121 National Kindness Award-Transport Gold 2019 winners
67. 1,989 Excellent Service Award 2019 winners
68. Best-Performing Stock for the Transport/Storage/ Communications sector by The Edge Singapore Billion Dollar Club 2019
69. NS Mark (Gold) accreditation by the Advisory Council on Community Relations in Defence
70. NTUC Health Volunteer Appreciation Award - Friends Award Gold 2018
71. Runner-up in the "Consumer Discretionary Services" category for the Most Transparent Company Award at the 20th Investors' Choice Awards 2019 by the Securities Investors Association (Singapore) (SIAS)
72. "Safe Bus Operator of the Year (Excellence)" Award and "Safe Rail Line of the Year (Merit)" Award at the 21st Annual Safety Award Convention by the LTA
73. Special Mention Award at the Singapore HEALTH Award 2019 by the Health Promotion Board
74. Total Defence Award - NS Advocate Award for Large Companies by the Ministry of Defence

Scottish Citylink Coaches

75. Gold in the "Customer Service and Support Staff Award" category at the 2019 UK Coach Awards
76. Silver in the "Top Express Operation" category at the 2019 UK Coach Awards
77. Bronze in the "Marketing Excellence" category at the 2019 UK Coach Awards

SetSCO Services (SETSCO)

78. Salim Suwignjo received the Commendation Award by Enterprise Singapore
79. Eco-Office Recertification by the SEC and attained "Professional Award" status
80. Received the "ACAP Premium" status by IRAS
81. Safety Excellence and Bonus Award by the Petrochemical Corporation of Singapore
82. "Zero Recordable Injury" Safety Plaque and Letter of Appreciation from ExxonMobile Asia Pacific

Shenyang ComfortDelGro Taxi

83. Zhao Yu Hai was Finalist for the Passion! Award 2018
84. 66 taxis won the "Model Taxi" Award
85. 273 cabbies were awarded the "Star Driver" title
86. AAA Standard Enterprise for 2018

Swan Taxis

87. Mehul Chudasama won the Passion! Award 2018

VICOM

88. Mary Lee, Chief Financial Officer of VICOM, was conferred the Best Chief Financial Officer Award in the "Mid-cap" category at the 14th Singapore Corporate Awards 2019
89. Eco-Office Recertification by the SEC and attained "Professional Award" status
90. ISO 9001:2015 Quality Management Systems Recertification
91. Winner in the "Mid-cap" category for the Singapore Corporate Governance Award at the 20th Investors' Choice Awards 2019 by the SIAS
92. Runner-up in the "Consumer Discretionary Services" category for the Most Transparent Company Award at the 20th Investors' Choice Awards 2019 by the SIAS
93. Runner-up in the "Shareholder Communication Excellence Award" category at the 20th Investors' Choice Awards 2019 by the SIAS



64.



71.



75.



87.



91.



92.

CORPORATE INFORMATION

BOARD OF DIRECTORS

LIM JIT POH
Chairman

YANG BAN SENG
Managing Director/
Group Chief Executive Officer

JESSICA CHEAM
CHIANG CHIE FOO
LEE KHAI FATT, KYLE
ONG AH HENG
OOI BENG CHIN
SUM WAI FUN, ADELINE
THAM EE MERN, LILIAN
WANG KAI YUEN
WONG CHIN HUAT, DAVID (Retired on 26 April 2019)

AUDIT AND RISK COMMITTEE

SUM WAI FUN, ADELINE
Chairman

CHIANG CHIE FOO
LEE KHAI FATT, KYLE
ONG AH HENG
THAM EE MERN, LILIAN

REMUNERATION COMMITTEE

WANG KAI YUEN
Chairman

LIM JIT POH
ONG AH HENG
OOI BENG CHIN
SUM WAI FUN, ADELINE
WONG CHIN HUAT, DAVID (Stepped down on 26 April 2019)

NOMINATING COMMITTEE

LIM JIT POH
Chairman

JESSICA CHEAM
CHIANG CHIE FOO
LEE KHAI FATT, KYLE
WONG CHIN HUAT, DAVID (Stepped down on 26 April 2019)

INVESTMENT COMMITTEE

LIM JIT POH
Chairman

JESSICA CHEAM
OOI BENG CHIN
THAM EE MERN, LILIAN
WANG KAI YUEN
YANG BAN SENG

CORPORATE DIRECTORY

REGISTERED OFFICE

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

JOINT COMPANY SECRETARIES

Chan Wan Tak, Wendy
Yeo Tee Yeok, Edwin

SHARE REGISTRAR

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

AUDITORS

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

Partner-in-Charge: Cheung Pui Yuen

Date of Appointment: 26 April 2018

BOARD OF DIRECTORS



LIM JIT POH

- CHAIRMAN (NON-EXECUTIVE & INDEPENDENT DIRECTOR)
- DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:
1 JANUARY 2003
- DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:
26 APRIL 2019

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

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

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



YANG BAN SENG

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

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

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

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



JESSICA CHEAM

- **NON-EXECUTIVE & INDEPENDENT DIRECTOR**
- **DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY: 1 JANUARY 2019**
- **DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY: 26 APRIL 2019**

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

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

She has also won many journalism awards, including the Earth Journalism Awards at the UN climate change meeting in Copenhagen in 2009, Young Journalist of the Year by Singapore Press Holdings in 2010, and the ASEAN Green Technology Journalism Award in 2011. In 2015, she received the Sustained Environmental Reporting by a Journalist Award at the Asian Environmental Journalism Award for her efforts in contributing to environmental journalism over the last decade. She was also the winner of the Women of the Future Southeast Asia Awards for the media and communications category in 2018.

She is the published author of 'Forging a Greener Tomorrow: Singapore's journey from slum to eco-cities'. She is also an adjunct research associate for the Centre for Liveable Cities, a Singapore think tank focussed on creating and sharing knowledge on liveable and sustainable cities.

She studied at the University of Warwick and University of London's Goldsmiths College.



CHIANG CHIE FOO

- **NON-EXECUTIVE & INDEPENDENT DIRECTOR**
- **DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:**
1 MAY 2018
- **DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:**
26 APRIL 2019

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

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

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

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



LEE KHAI FATT, KYLE

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

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

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

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



ONG AH HENG

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

Mr Ong Ah Heng is a non-executive and independent Director of ComfortDelGro Corporation Limited. Mr Ong is a member of both the Audit and Risk Committee and the Remuneration Committee.

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

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

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



OOI BENG CHIN

- NON-EXECUTIVE & INDEPENDENT DIRECTOR
- DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY: 1 MAY 2018
- DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY: 26 APRIL 2019

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

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

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

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

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

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

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

BOARD OF DIRECTORS



SUM WAI FUN, ADELINE

- **NON-EXECUTIVE & INDEPENDENT DIRECTOR**
- **DATE OF APPOINTMENT AS DIRECTOR OF THE COMPANY:**
1 JANUARY 2007
- **DATE OF LAST RE-ELECTION AS DIRECTOR OF THE COMPANY:**
26 APRIL 2019

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

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

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



THAM EE MERN, LILIAN

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

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

Ms Tham currently holds the positions of Head of Operations & Technology for Asia Pacific and Chief Operating Officer for Singapore at Schroder Investment Management (Singapore) Limited with regional responsibilities that encompass Portfolio Services, Fund Services, Information Technology and Change & Project Management. As Chief Operating Officer of Singapore, she has additional local oversight of Finance, Legal, Risk and Compliance. She is also a member of the Global Operations Committee responsible for setting the global operational strategy of the firm. Prior to joining Schroders, she was a Management Consultant with Coopers & Lybrand (now PricewaterhouseCoopers) focusing 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. Ms Tham was also conferred the "IBF Fellow" title in October 2018.

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



WANG KAI YUEN

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

Dr Wang Kai Yuen is a non-executive and independent Director of ComfortDelGro Corporation Limited. Dr Wang is the Chairman of the Remuneration Committee and a Member of the Investment Committee.

He was also a former Member of Parliament for Bukit Timah Single Member Constituency. He is the Chairman of both HLH Group Ltd and Ezion Holdings Ltd., and a Director of COSCO Corporation (Singapore) Ltd.

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

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

KEY MANAGEMENT

SINGAPORE – CORPORATE OFFICE



KOH THONG HEAN, DEREK

**GROUP CHIEF FINANCIAL OFFICER/
GROUP CHIEF SPECIAL PROJECTS OFFICER**

Mr Derek Koh was appointed Group Chief Financial Officer on 1 March 2020. He is also the Group Chief Special Projects Officer. Prior to that he was the Acting Group Chief Financial Officer from 1 October 2019. Mr Koh is a Fellow of the Institute of Chartered Accountants, England and Wales with over 30 years of broad experience in professional practice and industry. Prior to joining the Group, he headed various functions in the leadership team including Finance, Internal Controls, Corporate Affairs, and Information Technology in multi-national and Asian companies. He also has Audit, Corporate Finance & Recovery, as well as Risk Management experience from professional practice. Mr Koh holds a degree in Economics - Accounting & Finance from The London School of Economics.



SIEW YIM CHENG

GROUP CHIEF DIGITAL OFFICER

Ms Siew Yim Cheng was appointed Group Chief Digital Officer on 17 February 2020. She is responsible for the Group's transformation roadmap and products, and oversees the digital transformation initiatives of the Group. Prior to joining the Group, Ms Siew was Global Vice President for Smart City with Envision Digital, where she was responsible for leading the development of Artificial Intelligence-Internet of Things and smart city products and solutions. Prior to that, she was also the Chief Digital Officer for JTC Corporation. Ms Siew holds a Bachelor of Engineering - EEE (First Class) from the National University of Singapore, and had attended the Cybersecurity Executive Education Programme with Harvard Kennedy School. She is also the President of IT Management Association, Deputy Chairman of Ngee Ann Polytechnic ICT Advisory Committee, Member of Ngee Ann Polytechnic's Digitalisation Sub-Committee, Member of Technical Expert Panel for Singapore International Mediation Centre, and Member of Council of Industry Leaders, Tech Talent Assembly.



NEO ENG HOE

GROUP CHIEF TECHNOLOGY OFFICER

Mr Neo Eng Hoe was appointed Group Chief Technology 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.



JACKSON CHIA

GROUP CHIEF RISK & SUSTAINABILITY OFFICER

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



CHAN MUI WAH, DAISY

GROUP CHIEF HUMAN RESOURCE OFFICER

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



TAN I-LIN, TAMMY

GROUP CHIEF CORPORATE COMMUNICATIONS OFFICER

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



CHOO PENG YEN

GROUP CHIEF INVESTOR RELATIONS OFFICER/
GROUP CHIEF BUSINESS DEVELOPMENT OFFICER

Mr Choo Peng Yen was appointed Group Chief Investor Relations Officer on 1 November 2010. He is also the Group Chief Business Development Officer. 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).



CHONG YEW FUI, ADRIAN

GROUP CHIEF INTERNAL AUDIT OFFICER

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



CHUA BENG PENG, CLEMENT

GROUP CHIEF INSURANCE OFFICER

Mr Clement Chua Beng Peng was appointed Group Chief Insurance Officer on 17 February 2020, where he oversees all aspects of the Group's insurance-related activities including claims management and the development of risk transfer solutions. He is also the Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd. Mr Chua joined the Group in 2005 where he has held various positions and responsibilities with diversified experience in insurance broking, operations, claims handling, risk management, business development, corporate planning and services. He holds a Bachelor of Economics Degree from the University of Western Australia, a Diploma in Insurance from the Chartered Insurance Institute, and is a Certified Professional Risk Manager from the Asia Risk Management Institute.

KEY MANAGEMENT

SINGAPORE – CORPORATE OFFICE CONT'D



YEO TEE YEOK, EDWIN

VICE PRESIDENT OF GROUP LEGAL &
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.



CHAN WAN TAK, WENDY

SENIOR VICE PRESIDENT OF GROUP FINANCE &
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.

SINGAPORE – BUSINESS UNITS



CHENG SIAK KIAN

ACTING CHIEF EXECUTIVE OFFICER
SBS TRANSIT

Mr Cheng Siak Kian is the Acting Chief Executive Officer of SBS Transit. He first joined the Company in September 2015, and served as Senior Vice President in the bus operations division where he was an integral member of the tender team that was successful in its bid for the Seletar Bus Package. In December 2016, he was posted to Australia to helm ComfortDelGro's New South Wales operations. He returned to SBS Transit in July 2019 to assume the appointment of Chief Operating Officer and was promoted to Acting Chief Executive Officer on 1 March 2020. Prior to joining the ComfortDelGro Group, Mr Cheng served in a number of senior appointments in the Ministry of Defence and the Republic of Singapore Air Force. He obtained a Bachelor of Electrical and Electronic Engineering (First Class) from the University of Manchester, United Kingdom and a Master of Business Administration from the Massachusetts Institute of Technology, USA.



ANG WEI NENG

CHIEF EXECUTIVE OFFICER
COMFORTDELGRO TAXI

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.



LIM TIEN HOCK

CHIEF EXECUTIVE OFFICER
COMFORTDELGRO DRIVING CENTRE

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



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.

KEY MANAGEMENT

SINGAPORE – BUSINESS UNITS CONT'D



CHUA BENP PENG, CLEMENT

CHIEF EXECUTIVE OFFICER
COMFORTDELGRO INSURANCE BROKERS

Mr Clement Chua Beng Peng was appointed Chief Executive Officer of ComfortDelGro Insurance Brokers Pte Ltd on 1 March 2018, and is responsible for delivering customer-focussed and cost effective insurance broking, claims advocacy and risk management services to its external corporate clients. Mr Chua 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 is also concurrently the Group Chief Insurance Officer. 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.



LIM KENG GUAN

CHIEF EXECUTIVE OFFICER
FRINGE

Dr Lim Keng Guan is the Chief Executive Officer of Fringe Pte Ltd, a wholly-owned subsidiary of ComfortDelGro, which has been set up to explore new business models and market segments. Concurrently, he is Vice President in the Group Transformation Office. Dr Lim was awarded a Doctor of Philosophy (PhD) in Chemical Engineering from Brown University and he holds patents in the area of fuel cells and has extensive research experience in the field of biomedical devices. He has also worked as a financial analyst in Wall Street for one of the largest global investment banks and served stints as head of new product developments in the United States, Europe and China in the high precision manufacturing sector. Prior to joining ComfortDelGro, Dr Lim oversaw the development of a new business division which subsequently recorded exponential growth in one of the largest conglomerates in China. Besides his PhD, Dr Lim holds a Master of Engineering (First Class Honours) in Aeronautical Engineering from Imperial College, London, which he pursued whilst on Singapore Government scholarship.

OVERSEAS – BUSINESS UNITS

AUSTRALIA



YAP SOON HUA, NICHOLAS

CHIEF EXECUTIVE OFFICER
AUSTRALIA BUSINESS UNIT

Mr Yap Soon Hua, Nicholas, was appointed Chief Executive Officer of Australia Business Unit on 1 July 2019. Prior to this appointment, he was the Chief Executive Officer of ComfortDelGro Corporation Australia Pty Ltd (CDC) (VIC), General Manager of CDC Victoria and Chief Operating Officer of ComfortDelGro Cabcharge Pty Ltd. Mr Yap joined the Group in 1994 and was Vice President, Group Business Development, before his posting to Australia. He also served as a Manager in the Service Development Department of SBS Transit Ltd. Mr Yap holds a Bachelor of Economic and Social Studies (Hons) from the University of Wales in Accounting and Law. He also completed the Executive Programme in Transportation Management from the Nanyang Technological University & Chartered Institute of Transport, Singapore.

UK/IRELAND



SEAN O'SHEA

**CHIEF EXECUTIVE OFFICER
METROLINE LIMITED**

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

UK/IRELAND



RUDY TAN

**CHIEF EXECUTIVE OFFICER
CITYFLEET NETWORKS**

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

CHINA



TAY CHEW LIANG, MARC

**CHIEF EXECUTIVE OFFICER
CHINA BUSINESS UNIT**

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

VIETNAM



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.

MALAYSIA

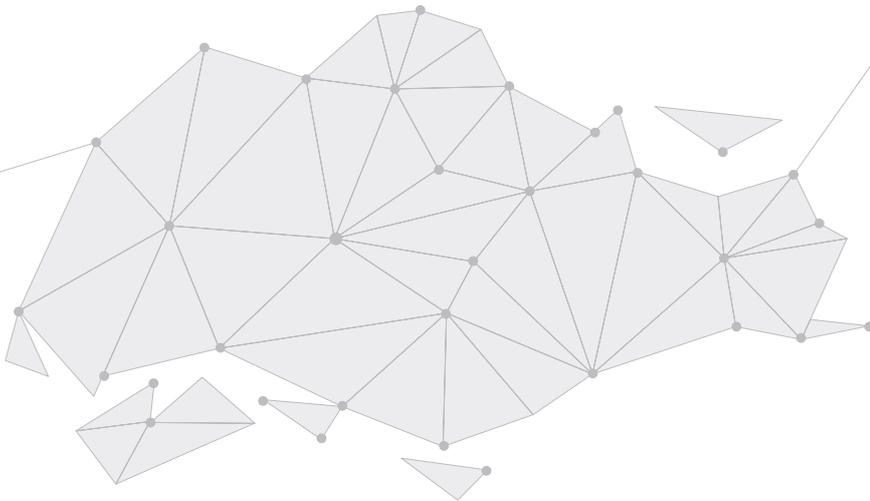


CHIA WING TOO, ERIC

**GENERAL MANAGER
MALAYSIA BUSINESS UNIT**

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

OPERATIONS REVIEW



SINGAPORE

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

Public Transport Services

ComfortDelGro Corporation Limited is a leading provider of land transport and related services in Singapore.

Scheduled Bus

SBS Transit Ltd entered into its fourth year of operating under the Bus Contracting Model (BCM) in 2019, where the provision of bus services and the corresponding standards are all determined by the Land Transport Authority (LTA). Under this model, the Government retains the fare revenue and owns all infrastructure and operating assets such as depots and buses.

Bus routes in Singapore are bundled into 14 bus packages. Of these, SBS Transit operated nine. During the year, it continued to be the biggest public bus operator with a market share of 61.1%. It managed a total of 223 bus routes – one more than in 2018 – and operated about 31,000 trips a day.

The inaugural On-Demand Public Bus Services trial, where SBS Transit operated five bus routes – three in the Joo Koon area and two in the Marina-Downtown area – for the LTA ended in June 2019. Conducted during off-peak hours on weekdays, commuters could book a ride with an app and request to be picked up and dropped off at any bus stop within the defined areas. It was concluded by the LTA that such bus services were not cost-effective due to the high technology costs required in scaling up.

A major highlight in 2019 was SBS Transit's active involvement in the three-month long public trial of driverless buses on Sentosa Island with ST Engineering. Operated as an on-demand service, visitors on the island could book a shuttle ride on any of the four autonomous buses to get to popular destinations along the 5.7km route. SBS Transit also operated autonomous vehicles (AVs) on Jurong Island in a separate trial

2.26
REVENUE
(S\$BILLION)

17,358
TOTAL OPERATING
FLEET SIZE

13,773
TOTAL NUMBER OF
EMPLOYEES



with ST Engineering. Unlike the vehicles used on Sentosa which have a maximum capacity of 11 passengers, the AVs on Jurong Island are 12m-long, similar in length to a public bus.

In November 2019, the LTA put up a tender for two of the bus packages – Bulim Bus Package and Sembawang-Yishun Bus Package. Interestingly, tenderers were given the option to submit proposals for either of the two packages, or both – the first time such a cluster approach was adopted with the intention to level the playing field.

The contract for the Bulim Bus Package, with 29 services, is up for its second term when it expires in 2020. It was the first bus package awarded under the BCM in 2015 while the Sembawang-Yishun Bus Package, with 27 bus routes, marked the fifth tendered contract. SBS Transit plans to submit proposals for both packages.

Electric buses are also expected to hit the roads in 2020. SBS Transit has taken delivery of some of these environmentally friendly buses from the LTA. Its bus captains as well as engineers and technicians are also undergoing training in preparation to operate these electric vehicles (EVs).

More details on our scheduled bus operations can be found in SBS Transit's 2019 Annual Report.

Unscheduled Bus

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

Of note is ComfortDelGro Bus' passenger service trial of an AV – the NUSmart Shuttle – that is currently operating in the National University of Singapore. It follows a predefined 1.6km route, starting from the i4.0 building between Heng Mui Keng Terrace and Business Link, and makes stops opposite the Hon Sui Sen Memorial Library and BIZ 2 building. As at end-2019, it had carried about 750 passengers. As part of safety precautions, passengers are required to be seated and belted up at all times when the AV is in motion. A Safety Operator is also always on board the AV when it is on the move to ensure compliance.

From 21 to 25 October 2019, the NUSmart Shuttle was showcased at the Intelligent Transport System World Congress where delegates were shown how they could command it to move automatically to a boarding point using an app and how it was able to circumvent obstacles while travelling along a route. It was so popular that all 50 available demonstration slots

were snapped up. In all, it ferried more than 300 passengers during the Congress.

On 15 August 2019, ComfortDelGro Bus began trialling a new on-demand bus service called ComfortConnect. It operated from Mondays to Fridays between 10am and 4pm, and served a total of 16 physical/virtual stops, including the majority of the condominiums in the Tanjong Rhu/Meyer Road area, Parkway Parade, the Singapore Swimming Club as well as Dunman High School. No fares were collected during the trial. To book a ride on this on-demand bus service, passengers had to select a stop as a pick-up point and another as a drop-off point, indicate the date and time of pick-up before booking on the ComfortConnect App. They would receive an in-app notification once the ride was confirmed and another notification at least two minutes before the bus arrived. The bus would complete the ride even if there was only a single booking.

Response was encouraging with more than 800 new sign-ups. About 100 residents actively booked the service, translating to an average of 18 rides a day. Further enhancements were also made to the App following feedback from residents. To reach out to a larger pool of residents, ComfortDelGro Bus extended the trial into 2020 for another three months. It plans to upgrade the App in 2020.

On 1 December 2019, ComfortDelGro Bus rolled out Singapore's first fully predictive anti-collision bus. The four new Volvo B8R 49-seater buses come with a Driver Support System that has a built-in Collision Warning & Emergency Brake feature, which ensures the bus brakes automatically and comes to a stop if it "senses" a collision is about to take place. The system also comes with a lane-keeping assist function that alerts the bus driver when the bus veers into other lanes. Similarly, the braking system kicks in if it senses a frontal collision threat.

During the year, ComfortDelGro Bus successfully won 10 new contracts and renewed six existing ones. It also continued to provide bus services for seven schools, one of which renewed its contract for another two years. The Company also continued to win bus charters tenders



and provided bus services for 18 events including the Singapore Airforce Day, Chingay Parade, as well as marathons and sports activities such as the Yellow Ribbon Run, and OCBC Cycle.

Rail

For the year under review, demand for our rail services grew 3.9% with an average daily ridership of 1.22 million.

On the 42km-long Downtown Line (DTL), ridership increased by 6.0% to 174 million while demand on the 17-year-old North East Line (NEL) grew marginally by 1.6% or 3.5 million to 219.3 million. For the 28-station Sengkang-Punggol LRT (SPLRT) systems, average daily ridership stood at 140,456 which is 6.7% or 8,873 higher than in 2018.

The DTL operated 4,228 weekly trips or 5.0% lower than 2018 while the NEL operated 4,029 trips a week or 3.2% lower than the previous year. The SPLRT systems, on the other hand, increased the number of trips operated a week by 12.0% or 1,927 to 17,967 to cater to the increase in ridership demand.

In train service reliability, NEL achieved the Mean Kilometres Between Failure or MKBF of 1.38 million train-km while the DTL clocked 1.14 million train-km, both of which exceeded the one-million target set for 2020. NEL also exceeded the nationwide MRT network's average of 1.32 million train-km. The SPLRT systems clocked an MKBF of 251,000 train-km in 2019 compared to the nationwide LRT network's average of 154,000 train-km.

There was no major disruption on the NEL and DTL in 2019, and instances of delays – three on the NEL and eight on the DTL – were 15.0% lower than the year before.

To boost rail reliability, SBS Transit commenced work on an Integrated Maintenance Diagnostics Centre (IMDC) at the NEL depot that would enable it to proactively monitor the condition of the train systems to pre-empt faults. For example, it will be able to pre-emptively withdraw a train if there are early signs of deterioration in the transmission of signals between the train and the signalling system. The installation of the physical and communication infrastructure as well as the integration of the various condition-monitoring equipment were completed in 2019. Works will continue with the development of a fault anomaly detection engine using data analytics in 2020. The DTL depot in Gali Batu will also set up its own IMDC by 2021.

In March 2019, in recognition of SBS Transit's efforts towards improving rail reliability, the Ministry of Transport awarded NEL the inaugural Challenge Shield for being the "Most Reliable MRT Line" by clocking 1.369 million train-km in 2018. NEL and DTL also clinched the top two spots respectively in the "Best Land Transport Operations and Maintenance Initiative" category at the 2019 Land Transport Excellence Award.

In 2019, public transport fares were higher than the year before. Fares were adjusted upwards by 4.3% from 29 December 2018. This was the first increase in four years

implemented by the Public Transport Council (PTC) based on its new fare formula which came into effect in 2018 and will be valid until 2022. With costs continuing to rise due mainly to higher repairs and maintenance, SBS Transit successfully applied for fare adjustment in October 2019, and was granted a fare revision of 7.0%, which was implemented from 28 December 2019.

SBS Transit is looking forward to tenders being called for the operation and maintenance of the Jurong Region Line as well as the Cross Island Line. SBS Transit plans to bid for these tenders. Concurrently, the LTA announced that Hume Station on the DTL is expected to be opened no later than 2025 and works are already in progress.

More details on our rail operations can be found in SBS Transit's 2019 Annual Report.

Taxi

ComfortDelGro Taxi remained Singapore's largest taxi operator with a combined fleet of about 10,700 Comfort and CityCab taxis.

During the year, ComfortDelGro Taxi embarked on its digital transformation journey. It started with adopting the Agile methodology in which squads comprising four to five staff were formed to improve the ComfortDelGro Taxi Booking App, its driver apps, vehicle despatch system as well as its digital marketing capabilities.

To better support the development of the Company's apps and digital initiatives, offshore development centres in Chennai, India and Yangon, Myanmar were set up to supplement local IT resources. As a result, new features were rolled out once every two weeks and close to 30 upgrades were created for the apps for both iOS and Android.

ComfortDelGro cabbies were also encouraged to learn digital skills. On 25 June 2019, ComfortDelGro Taxi signed a Memorandum of Understanding with the National Taxi Association to put 10,000 cabbies through the SkillsFuture for Digital Workplace course to improve their digital skills by end of 2020. By end-2019, more than 4,000 of our cabbies have been trained.

On 15 May 2019, ComfortDelGro Taxi launched a new offering – ComfortRIDE – in place of its flat fare option. Fares of ComfortRIDE trips adjust according to demand and supply of taxis at any time of the day. Generally, fares are higher when

there is strong demand, and lower when demand is low – as compared to normal flat fares. In just three months, ComfortRIDE trips crossed the two-million mark.

At the same time, the CabRewards programme, which rewards passengers with points that they can use to offset portion of the taxi fares through the ComfortDelGro Taxi Booking App, was renamed ComfortPoints.

As part of marketing efforts to promote both ComfortRIDE and ComfortPoints, a four-month long “Win S\$8,888 By Taking ComfortRIDE” lucky draw was launched on 1 September 2019. Popular local social media influencers such as mrbrown and Jian Hao Tan were also engaged to promote both service offerings.

As a result of these marketing efforts, more than half of the booking jobs made via the ComfortDelGro Taxi Booking App were ComfortRIDE, while the bidding rate by ComfortDelGro cabbies for ComfortRIDE jobs was 10% higher than that of metered jobs.

In July 2019, a credit card payment option was rolled out in the ComfortDelGro Taxi Booking App to offer users the ease of paying for both mobile booking and street hail trips via the App. Slightly more than three months later, NETS Click was introduced to enable consumers to use NETS bank cards to pay for taxi fares. This initiative marks the first time that consumers can store NETS payment details on file and to use their NETS bank card as an in-app payment mode.

ComfortDelGro Taxi continued to extend its in-app corporate Cabcharge card to more companies to allow them to do away with physical Cabcharge cards. Since it was introduced in 2018, about 15% of its corporate clients have made the switch. As a result of the multiple cashless options that were rolled out, cashless transactions grew by two million year-on-year.

ComfortDelGro Taxi also made extensive efforts to reward and retain its cabbies. New contract schemes which included sub-schemes to encourage hirers to switch to new petrol-electric hybrid taxis with cash incentives of up to S\$6,000 were introduced. The response was encouraging, with 78% of our hirers placed on these contract schemes within six weeks. As a result, ComfortDelGro Taxi sped up its taxi renewal exercise and took delivery of about 3,200 Hyundai Ioniq and Toyota Prius hybrid taxis during the year.

ComfortDelGro Taxi also continued to reward its cabbies who achieved or exceeded job targets with weekly incentives. This has enabled the Company to maintain its high catered rate of 92% and provide a good customer experience for passengers.

In March 2019, Marina Bay Cruise Centre signed a contract to engage our limousine service for another two years with an option for an extra year.

ComfortDelGro Taxi also continued to conduct both the Taxi Driver’s Vocational Licence (TDVL) and Private Hire Car Driver’s



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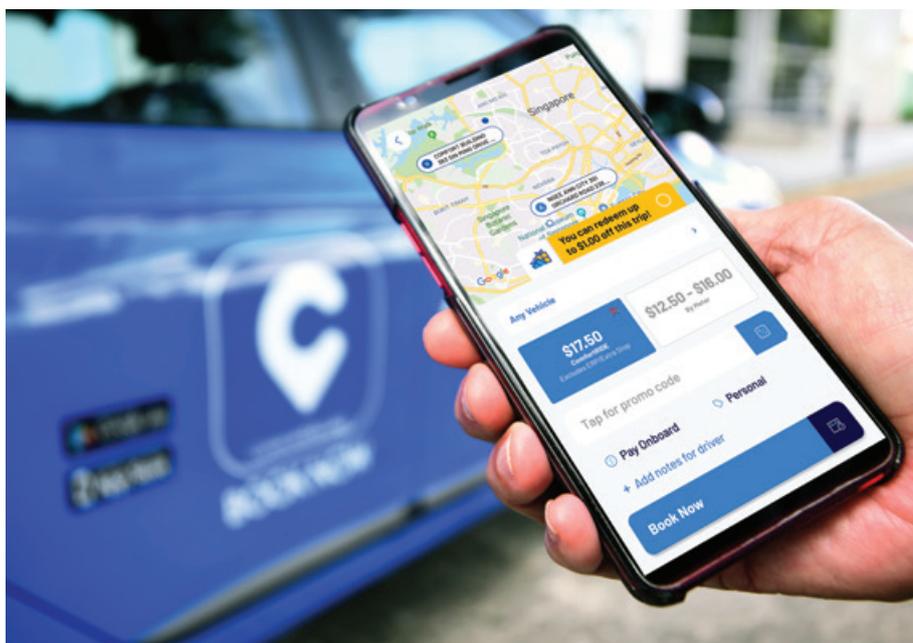
Vocational Licence (PDVL) courses. Over 20,460 trainees have attended these courses, with a high passing rate of at least 90%.

Amongst those who have passed the TDVL course, 26% of them took up the 12-day free rental scheme as hirers. As for those who have signed up as relief drivers, the Company is leveraging on technology to better match them to its existing pool of hirers.

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

ComfortDelGro Taxi continued to top up and contribute to the Central Provident Fund (CPF) Medisave Accounts of its cabbies under the Medical Medisave Top-up Scheme as well as the Drive and Save Scheme. In addition to helping its cabbies, ComfortDelGro Taxi also helped with the educational fees of their children. In 2019, about 730 Primary and Secondary level students received more than S\$140,000 worth of study achievement awards.

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





The commercialised fast charging station installed at Braddell Headquarters in 2018 continued to be the choice charging station of cabbies of our electric taxis.

conditions. In 2019, ComfortDelGro Taxi collected and donated S\$29,000 in call levies on the last day of the year to top up the Cabby Hardship Fund.

By end-2019, about 90 cabbies have received financial aid amounting to about S\$70,000 from the Fund. This same Fund is also assisting cabbies who have been placed on quarantine order during the COVID-19 outbreak. This is in addition to the S\$19 million worth of rental rebates that the Company is giving its hirers during the outbreak.

Automotive Engineering Services

Our automotive engineering subsidiary, ComfortDelGro Engineering Pte Ltd, maintains not only the Group’s taxi and private vehicle fleet in Singapore, but operates a growing private vehicle repair service.

The commercialised fast charging station installed at Braddell Headquarters in 2018 continued to be the choice charging station of cabbies of our electric taxis. It is also often frequented by a regular group of private EV users.

To support the EV initiative, ComfortDelGro Engineering is working on the installation of another charging station at Loyang in 2020. This second charging station will be the fastest Direct Current (DC) fast charging station in Singapore and is expected to reduce the charging time of EVs.

With ComfortDelGro Taxi rolling out more petrol-electric hybrid taxis during the year, ComfortDelGro Engineering plans to upgrade its Pandan fuel kiosk to include the sale of petrol in 2020. This will be the seventh of such kiosks out of

14 when it starts operating in the third quarter of this year.

The Company’s external car care business successfully secured new corporate fleet accounts. It also continued to grow its prime mover servicing business and maintained about 150 prime movers in 2019. There was also a marginal increase in accident repair revenue during the year.

In the area of bus maintenance, ComfortDelGro Engineering was appointed service dealer by Cummins Singapore. It also entered into a partnership with the Singapore School Transport Association to offer its 1,200-strong members customised quick lubrication, tyre and battery services for a fleet of over 2,500 buses. ComfortDelGro Engineering also secured a one-year contract with Sentosa Development Corporation to maintain its fleet of Volvo buses.

Since becoming the exclusive distributor of Duraturn brand tyres in 2018, 14 fleet operators that are serviced by ComfortDelGro Engineering, have made the switch to this brand of tyres.

The Company’s component reconditioning business made its foray into rail systems during the year and started to overhaul bogies for SBS Transit’s LRT trains.

To improve customer service, the Company developed a series of customised in-house customer service training modules aimed at equipping its staff with skills and knowledge to deliver better service. It also digitised the duty roster to improve productivity.

The system automates roster planning by automatically matching available manpower to the work roster. Staff are able to log in to the system from any smart devices to view their work roster and change their shifts.

To further improve customers’ experience, ComfortDelGro Engineering is developing an app that will enable customers to make appointments, view and approve repair quotations, view vehicle service records and provide feedback. Besides this, another app is also being developed to streamline and improve backend processes as it will enable staff to check the vehicle in and out digitally, track and manage the status of vehicle repairs in real-time, and gain access to workshop activity analytics and metrics. Both apps are expected to be introduced in the second quarter of 2020.

Inspection & Testing Services

The Government’s continuous push towards a car-lite city, which has manifested in policies like the “zero-growth” policy for private cars and motorcycles and other schemes aimed at encouraging motorists to scrap their older vehicles, resulted in a drop in the total number of cars due for inspection.

Fortunately, more than 37,000 passenger cars had their Certificates of Entitlement renewed in 2018, which helped mitigate the reduction. This resulted in a total of 625,753 vehicles undergoing inspection in 2019, a figure that was not much lower than the 625,940 vehicles that went through inspections in 2018. VICOM Ltd’s market share though was 74% in 2019, higher than the 73.7% in 2018.



Demand for VICOM Emission Test Laboratory's (VETL) services remained strong in 2019 as a result of the National Environment Agency's extension of the Vehicular Emission Scheme (VES) until 31 December 2020. The extension provided certainty to motor dealers who had been concerned that the rebates would be scaled back. As such, they proceeded to stock up on cleaner car models. At the same time, the extension of the VES also encouraged buyers to choose car models with lower emissions. Taking advantage of the extension, parallel car importers, who are VICOM's major clients, took a more aggressive approach and brought in new models, capturing 20% of the overall car market in 2019, up from the 14% in 2018.

To bring greater convenience to its corporate clients that use VETL services, VICOM introduced corporate PayNow in August 2019, which is instantaneous, compared to the two to three days that are required for traditional cheque clearing methods. With that, corporate clients are now able to receive VETL reports on the very same day.

Looking beyond the current plethora of inspection tests, VICOM invested in an Israeli company called Fortellix, which develops solutions to address challenges in AV testing and compliance. This investment will pave the way for VICOM to become a leading player in AV testing when it becomes a reality.

Just as alliances were forged to lay the foundation for future growth, VICOM also entered into a new partnership with Direct Asia Insurance to ensure that motorists visiting the Company's seven inspection centres could have easy access to promotional offers on motor insurance.

VICOM also conducted its 15th Technical Knowledge Exam (TKE) for its vehicle inspectors on 6 November 2019. Of the 95 vehicle inspectors who took the TKE, 94.7% achieved a score of 85 marks and above.

As for VICOM's wholly-owned subsidiary, Setsco Services Pte Ltd (SETSCO), 2019 was a challenging year due to intense competition.

Despite that, SETSCO spread its wings further afield by securing two overseas projects from notable clients. The first being an emission test project for three garment factories in Phnom Penh, Cambodia, for the United Nations Development Programme Office. The



second project was the calibration of a cube compression machine for the Ministry of Construction in Myanmar.

Having completed a project involving the provision of semi-destructive and non-destructive tests (NDT) for a pilot batch of housing flats, SETSCO went on to secure five more batches. It also successfully secured two other NDT service contracts from two different contractors in the refinery.

In the aerospace sector, SETSCO diversified its NDT to include Level III consultancy services. It also provided value-added services by bringing its NDT services to the clients' sites thereby improving productivity and minimising the risks of component damage during transit.

In the construction sector, SETSCO secured four out of ten testing packages for Singapore's North-South Corridor, a 21.5km road connecting growing towns in the North region to the City Area.

Separately, SETSCO was engaged by a Japanese company to conduct Electro Magnetic Compatibility monitoring on a skytrain at the Changi Airport, and also performed ambient air quality monitoring for construction companies.

In December 2019, SETSCO was made the certification body for Structural Steelworks Fabricators by the Singapore Accreditation Council. With this accreditation, SETSCO is able to expand the scope of its product certification to include steel fabrication.

Another feather was added to its cap when SETSCO, as an organisation outside the European Union, was authorised by the European Aviation Space Agency (EASA) to give Part-145 approvals on specialised

NDT services. With this approval, SETSCO is now able to provide specialised NDT services to registered aircrafts such as Airbus in Europe in addition to Boeing from the United States.

Work on the existing S\$50 million six-storey high Jurong Town Corporation industrial building located at Bukit Batok Street 23 continued during the year. Laboratories, offices and a dormitory are being fitted and SETSCO will relocate to this new premises by the end of 2020 as planned. With larger premises, SETSCO will be able to expand the depth and breadth of its testing services and also raise productivity through better workflow re-design of all the laboratories.

More details on our inspection and testing services can be found in VICOM's 2019 Annual Report.

Driving Centre

ComfortDelGro Driving Centre Pte Ltd, which provides learner driver training services in Singapore, achieved about 8% increase in enrolment in 2019.

During the year, ComfortDelGro Driving Centre collaborated with external parties including Borneo Motors Singapore and Harley-Davidson of Singapore to promote its Drive Safe and Ride Safe courses.

The Drive Safe Course utilises the Driver Development Tool, a unique visual-based management software that comes with a portable in-vehicle logging system, cameras and advanced sensors, all of which work together to collect performance data during a training session.

Vehicle handling, road cornering and traffic navigation skills of a driver are analysed, detailed in graphs and then profiled into retrievable data. The entire training



session is captured on video to heighten learning retention. Drivers can watch their mistakes on playback immediately after a session and take steps to correct lapses such as sudden accelerating and braking, improper hand position on steering wheel, insufficient scanning of the environment, tailgating as well as failure to check blind spots or signal correctly.

Similarly, the Ride Safe Course, which aims to facilitate continual learning and inculcate a safety mindset in motorcyclists, offers three levels of learning experience for motorcyclists.

Both courses were open to public to register starting from 2019. Local celebrities who had taken up both driving and riding lessons at the Centre also gave their stamp of approval, and even went so far as to compliment the Driver Development Tool at various media events.

To further enhance the learning experience, ComfortDelGro Driving Centre offered a premium service in which a learner is assigned up to four instructors with strong track records as well as usage of the latest training car model. It has been well received by learners so far.

In April 2019, extensive enhancement and renovation works were carried out in all front-facing locations at the Centre. These included the main lobby, customer service centre, as well as the toilets, where capacity was increased.

To enhance customer touchpoints, an e-lobby that enables learners to perform transactions was created to help them save waiting time. The entire Centre was also enhanced with complimentary Wi-Fi for learners and a better queue management system.

As all new motorist learners would have to undergo simulator training mandated by the Traffic Police starting from 16 December 2019, ComfortDelGro Driving Centre converted its administration service centre to a Simulator Centre housing six motorcar simulators, two motorcycle simulators and three instructor consoles. In all, it took about two months to complete. Currently, 28 simulator training sessions are conducted daily.

To make it more convenient for learners to top up the stored value in their accounts for booking of lessons and tests, ComfortDelGro Driving Centre started offering corporate PayNow as a payment option in January 2019. A PayNow QR Code is embedded at its kiosks located at the e-lobby so that learners can simply scan and top up their accounts using their mobile phones if they are registered PayNow users.

In line with its efforts to integrate technology into its processes and curriculum, ComfortDelGro Driving Centre, had in April 2019, started offering online enrolment of the Basic Theory Test for foreigners who wish to convert their driving licences into Singapore driving licences. This convenient option has proven popular.

ComfortDelGro Driving Centre also launched its online e-Trial system in July 2019. This allows learners to answer mock questions from both the Basic Theory Test and Final Theory Test anytime and anywhere. The e-Trials were previously only available at the Centre.

In 2020, ComfortDelGro Driving Centre plans to launch a mobile app with features that would allow its learners to book lessons, receive test notifications and make e-wallet top-ups amongst others. It will also revamp its website and develop

a new e-Learning system that leverages on gamification to enhance learners' experience.

Car Rental & Leasing

In 2019, our car rental & leasing subsidiary, ComfortDelGro Rent-A-Car Pte Ltd operated a fleet of 1,156 cars, of which 265 were brand new.

With a slowdown in economy, corporate clients continued to maintain a tight budget. As such, ComfortDelGro Rent-A-Car focused on promoting long-term contracts through direct sales, and short-term contracts for older vehicles at attractive rental rates.

On top of leasing out new cars to new customers, ComfortDelGro Rent-A-Car also replaced old cars with new ones for existing customers – even before the end of their contract terms. It also continued to push out differentiated customer retention programmes on a quarterly basis.

In August 2019, ComfortDelGro Rent-A-Car expanded into the heavy vehicle class with the addition of five prime movers to its fleet. All five units – comprising three units of Volvo FM and two units of UD Quon – were delivered by the end of the year and leased out to Haulio, a container trucking technology company incubated by PSA International's corporate venture capital arm, PSA unboXed.

Haulio, in which ComfortDelGro has a stake made through its US\$100 million corporate venture capital fund, is an ecosystem of container hauliers, for which Haulio builds tools and aggregates services. It aims to help haulage service providers operate more efficiently whilst improving visibility and reliability for end-customers. The platform has over 80% of Singapore's hauliers onboard with an outreach of over 2,000 trucks.

With the arrangement with ComfortDelGro Rent-A-Car, Haulio offers prime movers for on-demand rental and port-related jobs such as Inter-Terminal Transfers. As such, hauliers no longer need to keep spare capacities of prime movers, allowing them to maximise their own fleet and save on operational costs. Depending on demand, more prime movers may be added to ComfortDelGro Rent-a-Car's rental fleet in the future.

Leveraging on technology to enhance its aftersales service levels, the Company implemented the Workforce Assignment

Management (WAM) system as an extension of its vehicular telemetry solution. With WAM, customers are able to track the location of the Company's mobile technician – Car Doctor – in real-time, thus reducing anxiety. More importantly, the backend data collected through WAM allows the Company to study the frequency and nature of breakdowns so that it is able to proactively adopt preventive steps.

Digital marketing, an area that ComfortDelGro Rent-A-Car started to focus on in 2018, continued in 2019. More resources were allocated towards digital marketing aimed at smartphones, mobile apps and the Internet during the year. By tapping on Google Ads, the Company was able to increase interest and website traffic, especially in the area of rental of private-hire vehicles (PHVs).

As at end of 2019, 70 of the Company's 1,500cc and 1,600cc PHVs were fully hired out. Motor insurance for these vehicles was extended to include private-hire usage, and drivers who rented from the Company enjoy preferential discounts for petrol at ComfortDelGro Engineering's fuel kiosks.

ComfortDelGro Rent-A-Car also introduced DBS PayNow as an alternative mode of payment collection for its PHV drivers in August 2019. This meant that the Company could receive payments instantly using

just its business registration number, thus providing hirers with an additional layer of convenience and security.

Insurance Broking Services

ComfortDelGro Insurance Brokers Pte Ltd, our wholly-owned insurance brokerage, continued to perform well for the year under review.

In Singapore, its principal activities include insurance broking, employee benefits consulting, as well as risk and claims management.

During the year, ComfortDelGro Insurance Brokers embarked on its digital transformation journey to be industry 4.0 ready. This would enable greater product personalisation, product transparency, competitive pricing, new innovative business models and a round-the-clock digital-first experience. This is expected to continue in 2020.

It also started to increase its operational efficiency and implement targeted marketing and distribution directly to customers via digital channels.

ComfortDelGro Insurance Brokers also continued to assist the Group's Business Units in Singapore and overseas in structuring cost-effective insurance and claims management programmes.

Outdoor Advertising

2019 was a challenging year for Moove Media Pte Ltd as there was less available advertising space on taxis due to a smaller fleet as well as a change in the transit advertising landscape.

As has been the case with the Thomson-East Coast Line tender, the LTA has started to hive out rail advertising. Moove Media will thus be looking to participate in many more tenders going forward – be they for billboards, bus shelters or trains.

In February 2019, Moove Media partnered with StarHub to launch MOOVIN' – Southeast Asia's first Out-Of-Home commuter analytics and insights solution for advertisers.

MOOVIN' taps on data science, artificial intelligence and learning algorithms to better understand commuter demographics. Its recommendation engine tailors information for advertisers so that their campaigns are able to strategically reach consumers across different transportation platforms.

To appeal to clients who were shifting from traditional advertisement to digital ones, Moove Media had to augment its digital capabilities and come up with fresh concepts, one of which was applying LumiWerkz, a special spray-on paint that produces light and can be turned on and off by reacting to an electrical charge, allowing for pulsating light effects. LumiWerkz can be applied to any surface and three-dimensional (3D) objects as in the case of five 3D Formula 1 car replicas that were mounted on SBS Transit buses in August as the 2019 Singapore Grand Prix drew nearer. Prior to this, LED lights were used to light up 3D props.

Moove Media also introduced interactive lighting executions and games as part of their concepts for campaigns such as the Health Promotion Board's fifth National Steps Challenge. The interactive human tetris game installed on a wallscape at Dhoby Ghaut MRT Station and floor emojis, which would light up when stepped on, were well received by commuters. It garnered a total of about 5,000 interactions in just a month.

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



During the year, ComfortDelGro Insurance Brokers embarked on its digital transformation journey to be industry 4.0 ready.



AUSTRALIA

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

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



- CDC Victoria
- CDC NSW
- Buslink
- Blanch's Bus Company
- Blue Mountains Transit
- Forest Coach Lines
- Moove Media Australia
- Coastal Liner Coaches
- National Patient Transport
- Purple Coaches
- Qcity Transit and Transborder Express
- Swan Taxis
- Taxi Fleet Management

627.7

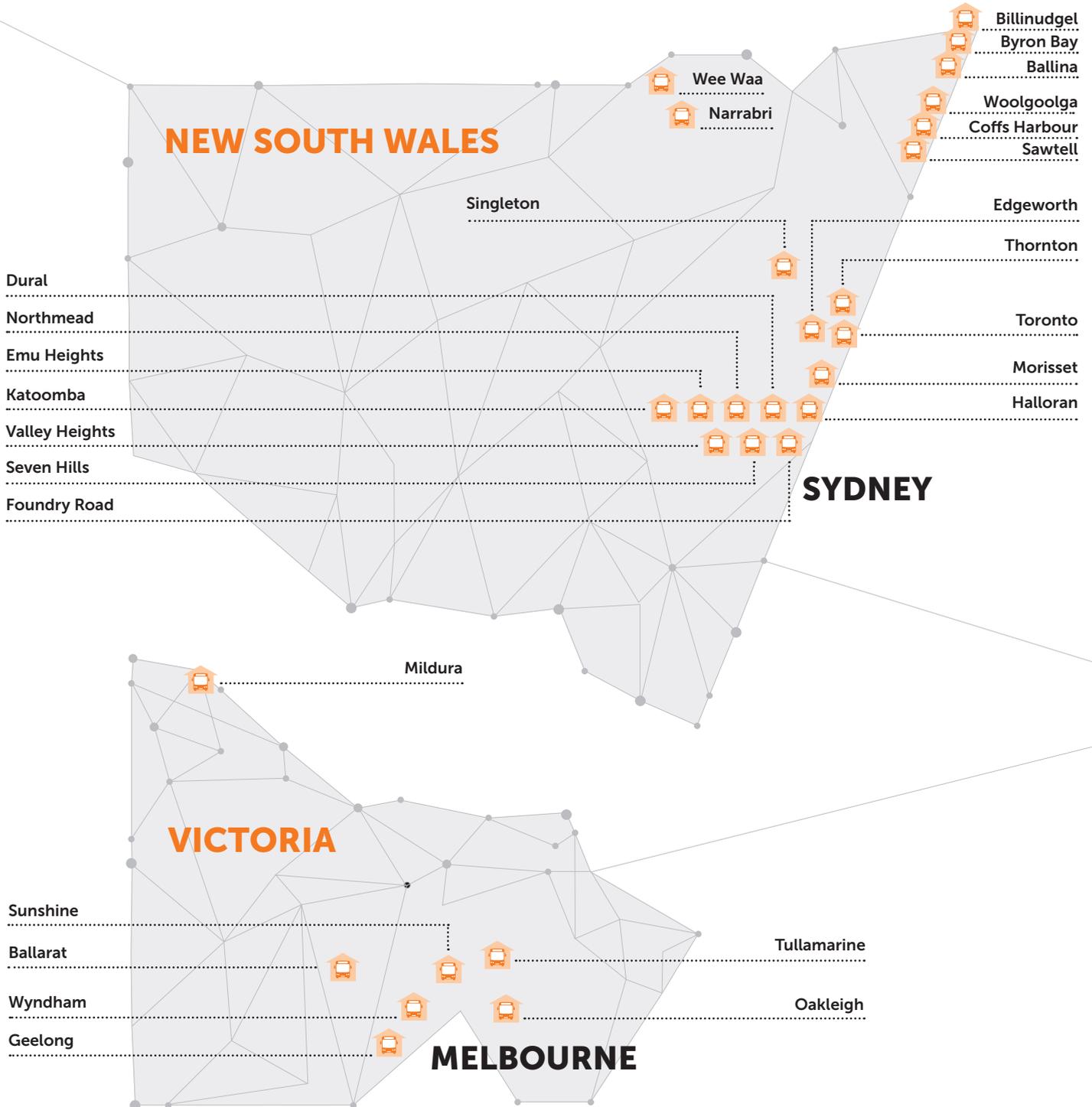
REVENUE
(S\$ MILLION)

4,419

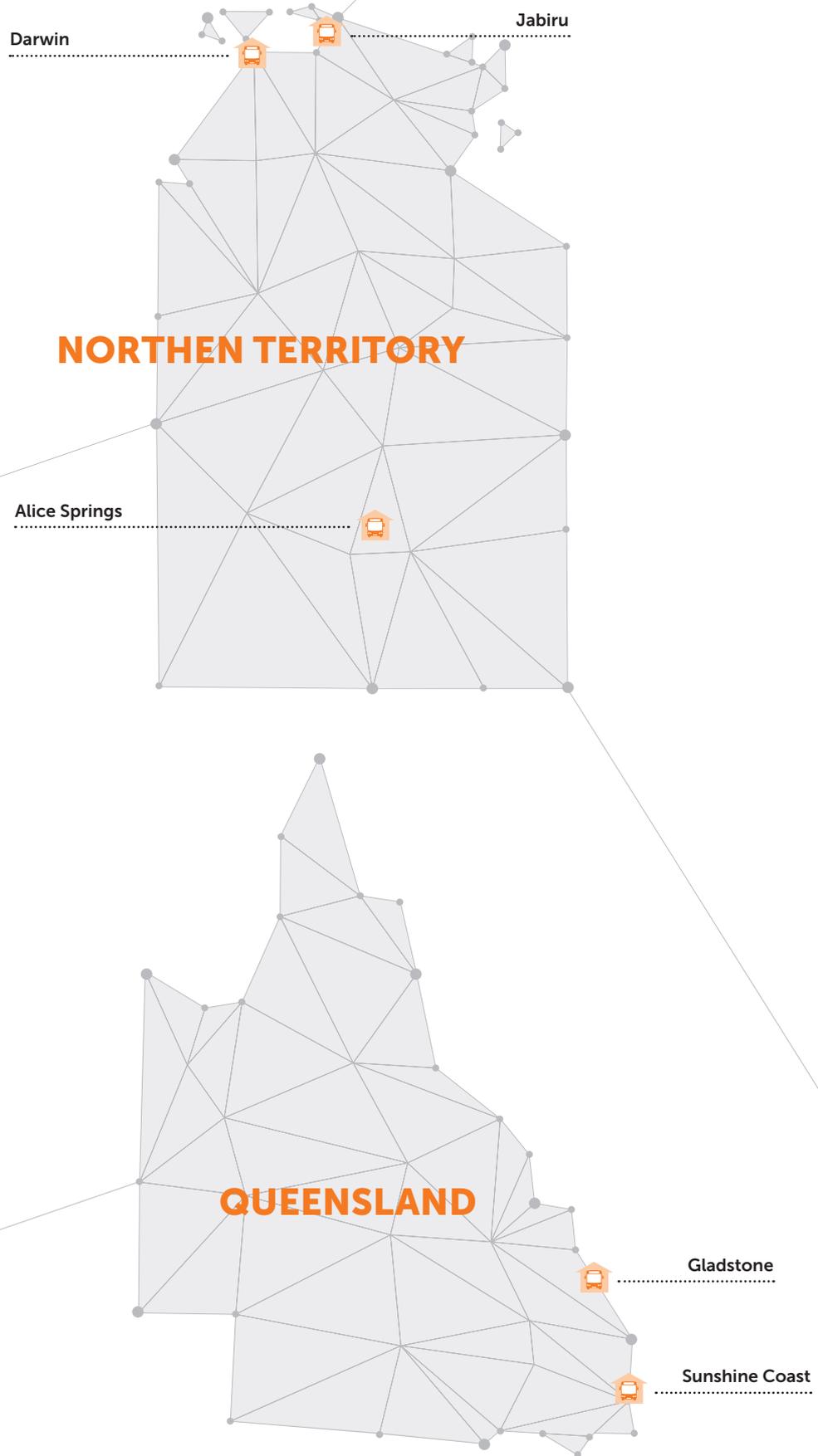
TOTAL OPERATING
FLEET SIZE

3,790

TOTAL NUMBER OF
EMPLOYEES



 Bus Depots



 Bus Depots

NEW SOUTH WALES

SYDNEY

Bus

We operate bus services in Sydney, New South Wales (NSW), through ComfortDelGro Corporation Australia Pty Ltd (CDC), which has been the Group's wholly-owned subsidiary since February 2017. Due to population growth, patronage across the CDC NSW Group grew by 2.0%.

On 31 May 2019, CDC acquired B&E Blanch Pty Ltd which owns a fleet of 48 buses and coaches under Blanch's Bus Company. It serves scheduled route and school bus services in the Northern part of NSW – expanding CDC's operating footprint to include areas such as Ballina, Lennox Head, Byron Bay, Mullumbimby and Billinudgel.

Blanch's also operates Brunswick Valley Coaches which has an excellent reputation for delivering charter services in the area. In fact, both Blanch's and Brunswick Valley Coaches are particularly well known for the provision of transport services for annual music festivals held in the Byron Bay area.

During the year, CDC NSW experienced a drop in patronage due to two major Government projects – the opening of the Sydney Metro Rail Line on 26 May 2019 and the completion of the Station Link Project in July 2019.

In the first, CDC partnered Transdev NSW to operate high frequency bus services for the Station Link Project and was commended by the NSW Government for its efforts despite the operational difficulties it had faced.

During the nine months that it was in operation, the Station Link Project provided bus services for passengers affected by the rail line upgrading between Epping and Chatswood. In delivering these extra services, CDC had to redeploy 106 drivers from its regular services. It was able to do so without any degradation to existing services by reducing annual leave balances and corresponding liability provisions. This would not have been possible without the strong support of its drivers and the Union. Station Link services stopped operating on 26 May 2019 when the Sydney Metro North West services commenced.

The opening of the Sydney Metro Rail Line in May resulted in the rationalisation of Hillsbus' services with a corresponding fall in demand by 11%. In particular, the Hillsbus' express services to the Central Business District, which was reduced to just one, was partially offset by additional shorter suburban routes that served the Sydney Metro Rail Line.

But even as demand for some services dropped, new avenues of growth surfaced. In May 2019, Hillsbus was awarded a contract to operate on-demand services to the local area to complement the new train line and provide passengers with a flexible public transport option. Operating under the MetroConnect brand, the service taps on technology provided by the Ministry of Movement (SWAT) and uses smaller Poncho buses to resolve the first-and-last-mile commuter transport problem. Demand has been increasing steadily since service began operations.

Hillsbus also clinched the Parramatta Light Rail Temporary Transport Plan (PLR TTP) contract in November 2019. With the closure of the Carlingford to Clyde train line in Western Sydney since January 2020, Hillsbus has been providing rail replacement bus services in its place. As the rail line will be closed for up to five years, the PLR TTP contract includes an optional two-year extension.

CDC also continued to leverage on technology to improve driver performance. Following the successful trial of the Verizon telematics system at the Northmead depot in October 2018, a full roll-out was undertaken across the Sydney Metropolitan operations of Hillsbus and Forest Coach Lines Pty Limited.

Consistent with the positive trial results, the system enabled CDC to focus on improving driver performance which in turn led to not only better safety outcomes, but also lower operating costs in the areas of fleet maintenance, accident repairs and fuel consumption. CDC was awarded the 2019 National Award for Safety by the Bus Industry Confederation for its efforts.

As part of the regional contract in Coffs Harbour on the Northern Coast of NSW, CDC introduced a point-to-point on-demand service that commenced in March 2019. Designed to improve connections to popular destinations via two mini buses, CDC worked closely with the ComfortDelGro Group's Information Technology (IT) Department in Singapore to deliver a mobile app that customers could use to book the service.

In December 2019, unprecedented bushfires across Australia captured global media attention. CDC supported fire-fighting efforts by providing paid leave and transport



OPERATIONS REVIEW



services to emergency service volunteers, as well as offering employee assistance counselling services to staff affected by the fires and their families.

It also established a fund with an investment of A\$250,000 to assist employees and members of its community affected by the Australian bushfires. Called the CDC We Care Fund, it will be administered by CDC and used to assist in fire-fighting efforts and support families with immediate housing and living needs. In addition, CDC employees who have had to evacuate and/or lose their homes as a result of the bushfires were eligible for individual grants to assist them with short-term financial needs.

Non-Emergency Patient Transport Services

National Patient Transport Pty Ltd (NPT), which has its headquarters in Melbourne, operates across Victoria, NSW and Western Australia (WA). NPT offers a range of healthcare transport services to state government ambulance utilities and major metropolitan hospital networks including walker, hoist and stretcher transport services, as well as specialist services for high acuity and complex patients. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia. NPT has been the first private provider of patient transport services to NSW Health, which has been responsible for the public health system in NSW since 2016.

Outdoor Advertising

Moove Media Australia Pty Ltd reached record occupancy rates in 2019 with several of its advertising formats sold out for consecutive months in Sydney

and Melbourne. Overall, Moove Media Australia registered a 4.3% increase in revenue.

Additional bus advertising sales opportunities were also created through the new acquisitions by CDC in 2019. The inclusion of new bus network areas enabled Moove Media Australia to extend its coverage in Sydney and Melbourne.

The Customer Relations Management (CRM) software solution which was introduced in 2017 was further enhanced with automations and artificial intelligence functions. This helped the Company better target and engage its existing and potential clients. New bus fleet utilisation programmes also led to an increase in media campaign sales and helped to broaden its network.

During the year, sales presentation decks were redesigned to include leading market research analytics and demographics in campaign proposals. These tools helped clients efficiently plan their integrated marketing campaigns, supporting Moove Media Australia's high customer satisfaction rate.

BLUE MOUNTAINS AND HUNTER VALLEY

Bus

Following the acquisition of Coastal Liner Coaches in 2018, CDC made significant progress integrating its IT systems, safety practices, internal controls and asset management. Hunter Valley buses also submitted a successful bid for a two-month rail replacement contract from NSW Trains to cover an emergency rail maintenance shutdown. The service, consisting of six coaches and one mini bus, connected the Northern NSW town of Grafton to Sydney, which is located 600km away.

QUEANBEYAN

Bus

Qcity Transit provides route and school bus services to the community of Queanbeyan in NSW while Transborder Express operates route and school bus services in the community of Yass, with direct services operating between Yass and Canberra. Both Qcity and Transborder Express operate services under the Rural and Regional Contracts with the NSW Government.

During the year, Qcity was successful in tendering for a five-year contract delivering special needs and supplementary services on behalf of the Australian Capital Territory Government. Served by 34 Mitsubishi Fuso Rosa style mini buses, these services run school routes and provide services for those with disabilities, special travel requirements and children living in remote locations.

VICTORIA

MELBOURNE

Bus

CDC operates essential bus services across the Western and Eastern suburbs of Melbourne, as well as Ballarat, Geelong and Mildura. It continued to retain its position as the third largest operator in Melbourne, representing a 16% market share.

The Company's total revenue increased in 2019 due to the acquisition of Buslink Sunraysia and Broken Hill in November 2018 and NPT's new Ambulance Victoria contract. The Government has also committed to negotiating new bus contracts for CDC's Geelong, Ballarat and Buslink Sunraysia operations which are due to expire on 30 June 2021.

To improve productivity and ensure good contract performance, CDC's Operations and Customer Centre had been working closely with its depots to improve their On-Time Running and reduce Early Runnings. Driver journals and rostered shifts were also reviewed and restructured to ensure that operations consistently met timetable requirements.

Apart from holding monthly strategic partnership meetings with the Department of Transport (DoT) to review and discuss its performance, CDC also utilised digital electronic displays to ensure that its drivers were aware of their performance and kept up-to-date with important safety messages.

CDC remained committed to sustainability efforts as a community-focussed bus operator and continued to operate the largest hybrid bus fleet in Australia.

In January 2020, it secured a A\$25 million green financing solution commonly known as a Green Loan from OCBC Bank in Singapore to finance its hybrid bus fleet in Victoria. Proceeds from the loan, which has been structured in accordance with the Green Loan Principles issued in 2018 by the Loan Market Association and Asia Pacific Loan Market Association, will be used to finance 50 hybrid buses. Delivery of these environmentally friendly buses has already started, with the last batch of buses expected to be delivered and in service on CDC routes in Wyndham, Oakleigh and Sunshine by mid-2022.

All 50 low-floor buses feature Volvo's Parallel Hybrid driveline and meet Euro 6 emission standards. Tests have shown that the Volvo hybrid driveline reduces nitrogen oxide and particulate emissions by up to 50% and lowers fuel consumption by up to 39% in mixed traffic. The hybrid buses use 30% less fuel and emit significantly less noise when idling at and departing from stops.

Similarly, Melbourne was affected by unprecedented bushfires in December 2019. As such, the same CDC We Care Fund will be extended to assist in fire-fighting efforts and support families with immediate housing and living needs in

Melbourne. In addition, CDC employees who have had to evacuate and/or lose their homes as a result of the bushfires are eligible for individual grants to assist them with short-term financial needs. CDC is also supporting fire-fighting efforts by providing paid leave and transport services to emergency service volunteers, as well as offering employee assistance counselling services to staff affected by the fires and their families.

Taxi

To retain its current drivers and remain as a competitive option for potential drivers, CDC has developed and implemented a Vehicle Hire Agreement, which was introduced in October 2019, to allow cabbies to operate on a fixed rental model as compared to the previous 60-40 bailment model. So far, feedback from drivers has been encouraging.

Non-emergency Patient Transport Services

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

In July 2019, NPT commenced a new three-year contract with Ambulance Victoria. This new contract is expected to increase annualised revenue and services rendered by more than 20%.

During the year, NPT also relocated its Head Office from Mount Waverley to Noble Park North, and its Western Metro office from Sunshine North to Thomastown. Additionally, additional premises were needed in the Eastern suburbs of Melbourne and a suitable location was found in Mitcham. These relocation activities were necessary to accommodate the expanded role that NPT played under the Ambulance Victoria contract. The new head office was well received by staff.

NORTHERN TERRITORY

DARWIN

Bus

Buslink NT Pty Ltd is the largest bus operator in the Northern Territory (NT). It operates a fleet of 170 buses and coaches out of four locations across the NT including Humpty Do, Jabiru and Alice Springs. It provides not just urban and school bus transportation, but reliable and competitive charter services for schools, companies, charities, sporting clubs and other recreational groups.

The contract in Darwin is made up of 46 urban buses, 77 school buses and 26 special needs buses. This represented 60% of the urban network and 100% of the school and special needs network. The Darwin contract tender expires at the end of February 2021. Jabiru, a remote community 250km of Darwin, has five buses under its contract. This contract is due to expire in December 2020. The Alice Springs' urban contract comprises five buses and represents 100% of the urban services there.

In 2019, Buslink acquired a dedicated charter fleet made up of seven large school buses and three coasters. Demand for charter services was high in 2019. Buslink provided a number of large-scale one-off charter for different organisations such as the Military Services Australia Pty Ltd over nine days and Broadspectrum (Australia) Pty Ltd over a period of 20 days.

In March 2019, Buslink partnered the NT Government and the Department of





Infrastructure, Planning and Logistics to launch the "Respect Your Driver" campaign with the aim of raising awareness of appropriate behaviour on board public transport. Buslink actively worked with schools, particularly in the rural Darwin region to improve student behaviour. It also provided anti-discriminating training and retraining for new and existing drivers so that they are better equipped to handle anti-social behaviours. Since introducing such training, there has been a drop in the number of bans and warnings issued

on the school buses and a reduction in passenger complaints.

Also occurring in March 2019 was Cyclone Trevor that necessitated the evacuation of Territorians from their homes that were in the path of the on-coming cyclone. Buslink provided charter buses to help with the evacuation efforts. The Chief Minister wrote a letter of thanks in recognition of the services provided by Buslink during this time of emergency.

QUEENSLAND

GLADSTONE AND SUNSHINE COAST

Bus

In South East Queensland (SEQ), Buslink provides school services on the Sunshine Coast out of four depots. It also operates a depot in Gladstone, which is located about 400km to the North of the Sunshine Coast, offering public passenger bus services, school services and special needs bus services.

At the annual Queensland Bus Industry Council (QBIC) awards, Buslink employees won the Driver of the Year Award and the Apprentice of the Year Award. Buslink also received recognition for 20 years of service to the bus and coach industry, for its operations in Gladstone.

In terms of engagement with the local community, Buslink was active in the Road Safety Week event in Queensland, holding barbeque events at all of its depots and wrapping a bus in a specially designed livery.

The Company also reached out to the community during the Australian bushfires by providing a bus to aid with evacuations at Mount Larcom in late-2019. After a bushfire on the Sunshine Coast in October, one of the school principals commended its actions saying: "I extend my sincere thanks to Buslink for their efforts over and above the call of duty".

WESTERN AUSTRALIA

PERTH

Taxi

We operate taxi services in Perth, WA. About two-thirds of the City's 1,940 registered taxis are affiliated to Swan Taxis Pty Ltd's network.

In April 2019, the WA Government rolled out new regulations for booking services under the Transport (Road Passenger Services) Bill 2018. One of the reforms under the new regulations was the taxi plate buyback scheme that provided private taxi plate owners with the opportunity to sell their traditional taxi plates back to the WA Government at about A\$100,000 each. In order to subsidise the taxi plate buyback scheme, a 10% passenger levy of up to A\$10 was introduced on all taxi and on-demand services on 1 April 2019.

As part of the DoT's On-demand Transport Reform in 2019, regulations to improve compliance, accountability and safety among booking services and drivers were also introduced. These came with significant penalties for industry stakeholders that did not comply. To ensure compliance, Swan Taxis conducted training sessions to educate staff and cabbies on the amendments to the regulations, including those made in the area of fatigue management and medical fitness.

During the year, Swan Taxis continued to offer its customers the Flat Fare option through its booking app. Customers who chose the Flat Fare option enjoyed a further 10% discount. On top of the Flat Fare option, Swan Taxis also offered promo codes throughout the year to attract passengers.

Swan Taxis' traditional parcel delivery service secured additional accounts, mainly in the area of medical sample deliveries, while its niche services such as the Taxi Butler service, which started in 2018, also secured taxi bookings at major entertainment venues. Other major contracts successfully acquired included delivery service of medical specimens for medical services companies – Western Diagnostics and Clinical Labs.

Apart from ongoing discussions with operators in regional WA, Swan Taxis further enhanced its bureau offering with the onboarding of operators in the Bunbury Bureau. Launched in August 2019, the new Swan Taxis Bunbury fleet offered increased customer coverage in the Greater South West region of WA.

CDS Fleet Management, a wholly-owned subsidiary of Swan Taxis that began operations in January 2018, owns a fleet of 295 taxis and leases them out to cabbies, much like the taxi rental business model in Singapore.

A fleet replacement programme worth A\$15 million was initiated in 2019. Close to 100 new vehicles, most of which were fuel-efficient hybrid models, were introduced during the year, with a total of 500 new vehicles expected to hit the roads in 2020.

These new hybrid taxis served to not only provide customers with a better travel experience, but to also reward existing and new drivers with newer and better vehicles. The majority of these were Toyota Camry hybrid taxis, commonly used in Perth's taxi industry but other vehicles, including the Toyota RAV 4 hybrid taxis, were also introduced.

On top of upgrading and adding new taxis to its fleet, Swan Taxis rolled out fully-electric Hyundai Ioniq taxis in April 2019. Branded as EV Cabs, the two taxis were the first electric taxi vehicles to be introduced in Australia.

In October 2020, an agreement was made with the major oil company ExxonMobil and Wex Inc, a provider of payment processing and information management services, to introduce a fuel discount programme for its cabbies.

Non-Emergency Patient Transport Services

The Group operates non-emergency patient transport services in Perth. It also operates a registered training organisation that is qualified to deliver and assess a range of non-emergency healthcare transport, first aid and resuscitation courses in Australia.

Its key customers include WA Health, the State's public health system and St John of God WA.

Bus

Swan Taxis' acquisition – Purple Coaches – continued to operate in Perth, serving mainly schools, community and corporate clients with bus and coach services with a fleet of 21 vehicles.



UNITED KINGDOM

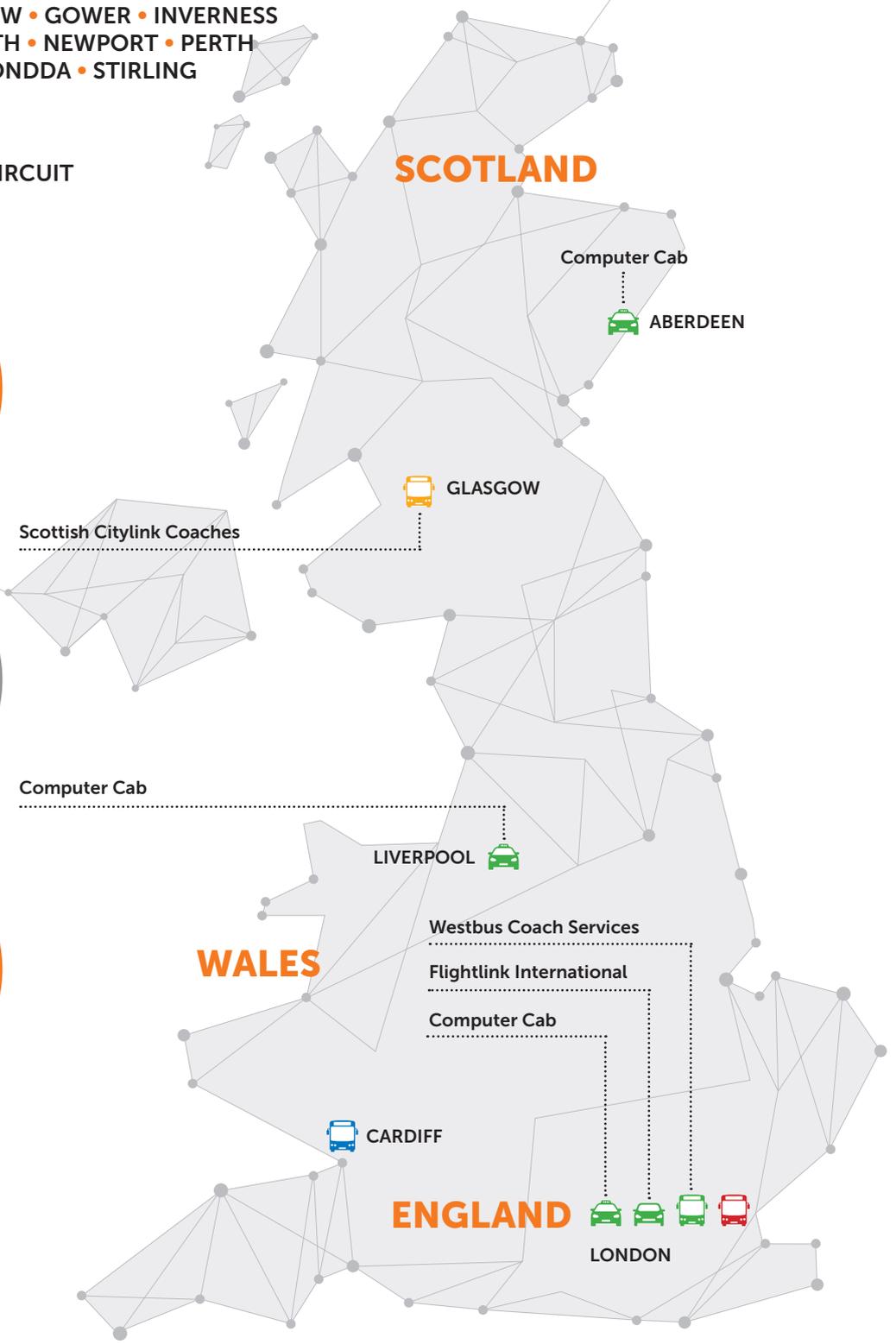
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 CARDIFF • DUNDEE • GLASGOW • GOWER • INVERNESS
 LIVERPOOL • LONDON • NEATH • NEWPORT • PERTH
 PONTYPRIDD • POWYS • RHONDDA • STIRLING
 SWANSEA • TREFOREST

BUS • COACH • TAXI RADIO CIRCUIT
 PRIVATE CAR HIRE

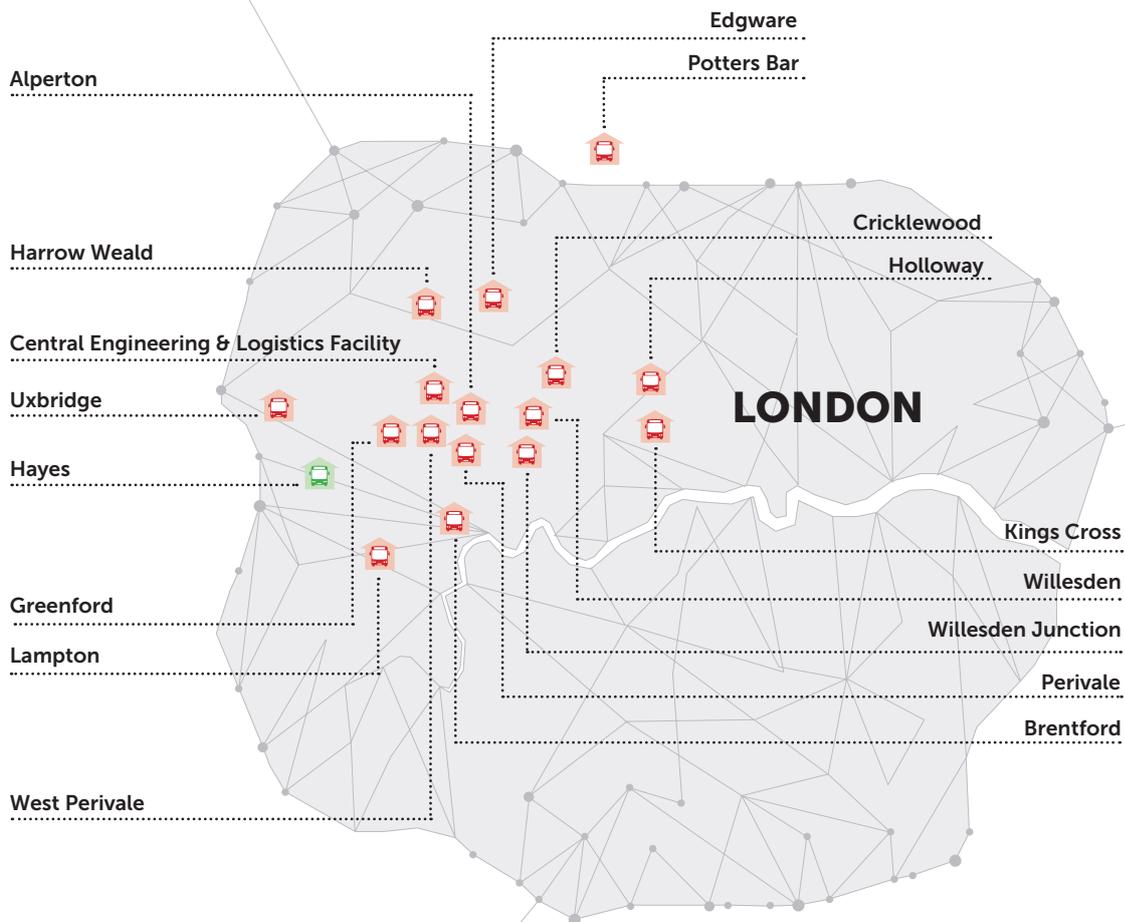
831.6
 REVENUE
 (\$' MILLION)

8,208
 TOTAL OPERATING
 FLEET SIZE

5,805
 TOTAL NUMBER OF
 EMPLOYEES



Metroline
 Scottish Citylink Coaches
 CityFleet Networks
 New Adventure Travel



 New Adventure Travel Depot
  Metroline Garage
  Westbus Coach Services Garage



ENGLAND

LONDON

Bus

In the United Kingdom (UK), our wholly-owned subsidiary, Metroline Limited, is the third largest bus operator in London with a fleet of close to 1,600 buses. It operates about 17% of London's scheduled bus mileage and plies routes in North, West and Central London. Of the 15 contracts that expired in 2019, Metroline successfully retained five of them and gained four new routes.

To improve air quality in the Capital City, the Ultra Low Emission Zone (ULEZ), which operates round-the-clock and all year round, came into effect on 8 April 2019. The Transport for London (TfL) also delivered all 12 Low Emission Bus Zones ahead of schedule. With this, Metroline buses operating under contract to the TfL must also meet or exceed Euro 6 emissions standards. To achieve this, Metroline introduced new hybrid or electric buses or retrofitted existing ones. In all, 22 day services and 11 night services were directly affected by the new zone, including Routes 43 and 134, which were the first in London to run entirely on electric, zero-emission double deck buses.

To deploy the buses on Route 43, Metroline placed the UK's single largest order of electric buses in 2019 with Chinese automotive company, BYD Co., Ltd (BYD). These fully-electric double deck buses, which operated out of Holloway garage, utilise both BYD's proven electric chassis and Alexander Dennis Limited's expertly designed E400 MMC body.

The first five buses were deployed on Route 43 on 1 July 2019 in conjunction with the inaugural London Climate Action

Week, a new initiative launched by the Mayor of London that aims to encourage low emission transport and clean energy. It later achieved full deployment on 21 October 2019. With a daily mileage range in excess of 160 miles, these buses can run an entire day without a recharge and are only sent for a full charge at night when local demand for electricity is at its lowest.

Route 134, which operates from Potters Bar garage, and the second route to go fully electric in August 2019, uses the Metrodecker EV series buses by British manufacturer Optare. Each bus carries more than 90 passengers and has a range of over 150 miles on a single charge. Like Route 43 buses in Holloway, these are also charged only during the night.

For its contribution towards cleaner air in London, Holloway garage won the Environmental Campaign Champion Award at the London Bus Awards on 9 July 2019.

Metroline was also selected as the operational partner for TfL's hydrogen fuel cell vehicles project. Unfortunately, the appointed bus manufacturer, Wright Bus, went into administration in late-2019 and the hunt has begun for a new bus manufacturer.

On the technology front, Metroline introduced an employee engagement app by Blink for its staff in 2019. Blink combines workplace messaging with access to rosters, policy and training documents, e-payslips, and holiday booking forms on one super app. The App has also enabled direct communication between Management and staff, as well as amongst staff themselves.

Metroline also introduced Trapeze, a new driver allocation and management software across the Company, replacing an older outdated software. The new system complements the Blink App and enables

drivers to access their rosters remotely as well as swap duties with one another.

A London initiative – the "Wellbeing Bus" – designed to help improve the health of staff and bus drivers – was launched on 4 November 2019 at Perivale garage. This collaborative project between the TfL, Unite the Union, and London's bus operators, including Metroline, provides drivers with free professional health screenings at bus garages. The bus, which is manned by Medigold Health's occupational health technicians, makes its way to different garages and conducts on-site screenings. Health diagnosis is also given in a user-friendly format that bus drivers can access whilst on their break. Response to the bus has been very good.

In February 2019, Metroline refurbished and transformed an old double deck bus into a library and donated it to Sinai School. Located at the School's playground, the library bus encourages students to move away from mobile devices and hone their reading and storytelling skills. This initiative won the "Bus and the Community" category at the UK Bus Awards in 2019. Metroline was also Finalist in four other categories – "Environment", "London Bus Garage of the Year", "Top London Bus Driver" and "Unsung Heroes" at the same event.

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.

In 2019, Westbus Coach Services continued to focus on serving the inbound Japanese tourism sector as well as growing inbound tourism sector such as China. The Company's move into the school and university sector in recent years had also proven successful. There was also a significant increase in revenue from rail replacement services due in part to regulations that required such services to be wheelchair accessible.

With the ULEZ in effect since April 2019, Westbus ensured half of its fleet of 42 buses complied with the Euro 6 emissions standards.

Taxi Radio Circuit

ComfortDelGro's wholly-owned subsidiary, Computer Cab plc is London's largest black taxi operator with a fleet of 2,335 taxis.

CityFleet Networks Limited operates the London taxi business under the Computer Cab (ComCab) and Dial-a-Cab brands. It was a challenging year due to stiff competition.

CityFleet Networks continued to invest in technology to maintain its competitive edge. A number of driver apps were developed during the year and two more are scheduled to be launched in 2020. These apps are aimed at helping the Company grow its fleet, provide greater coverage and improve overall service delivery.

In October 2019, CityFleet Networks completed the purchase of a new £3.9 million industrial property in West London which is expected to become its headquarters and operating base for all of its operations in London in April 2020.

Private Car Hire

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

LIVERPOOL

Taxi Radio Circuit

Computer Cab (Liverpool) Limited is the City's largest taxi circuit operator with a fleet of 416 black cabs, catering to both the corporate and individual clientele.

In 2019, the Company experienced growth in revenue following an award of the North West Ambulance contract in May. With its fleet of wheelchair-accessible taxis, Computer Cab (Liverpool) was the preferred service provider for passengers with special mobility needs.

Computer Cab (Liverpool) also launched an Interactive Voice Recognition (IVR) system during the year, resulting in an increase in automated bookings to 25% of total bookings.

The Company also introduced a secondary fleet – ComCab Lite – a low-cost pay-as-you-go option, with the aim of growing its fleet and generating more bookings from individual clientele. It targeted mainly drivers who preferred street-hail jobs over regular fixed subscription. Drivers of ComCab Lite are assigned bookings during peak periods that are not covered by the main fleet, thereby improving overall coverage and service delivery.

SCOTLAND

GLASGOW

Coach

The Group's partnership with Stagecoach, Scottish Citylink Coaches Limited, is the leading provider of express coach services with 96 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.

The Company's performance for the year under review exceeded expectations and showed marked improvement over the previous year. Its contactless onboard payment option also gained popularity during the year.

Scottish Citylink Coaches was recognised at the UK Coach Awards in May 2019, bagging Gold for Team of the Year; Silver for the Top Express Operations Award for its Citylink 900 and Citylink AIR services. It also won Bronze for Marketing Excellence for its Glasgow-Belfast 923 campaign.

Scottish Citylink Coaches launched five brand new, state-of-the-art double deck coaches worth £2 million on its popular AIR route between Edinburgh Airport and Glasgow City Centre in November 2019. The Plaxton Panorama coaches – built in the UK by ADL – have 75 seats and offer passengers more legroom than ever before. Onboard amenities include fold-down tables, reading lights, mobile device holders and USB chargers. In line with the launch of these new vehicles, several marketing campaigns have been put in the pipeline in 2020.

To continue to reach out to more customers online, Scottish Citylink Coaches embarked on a revamp of its website and booking system during the year. It plans to relaunch both platforms in the first quarter of 2020.

ABERDEEN

Taxi Radio Circuit

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

The Company introduced an IVR system in April 2019 which led to an increase of

28% in automated bookings. The Company also successfully retained key accounts and driver numbers despite unfavourable market conditions.

WALES

CARDIFF

Bus and Coach

The New Adventure Travel Group (NAT Group) operated a fleet of 135 buses and coaches across three depots in Cardiff, Taffs Well and Swansea.

Based near the City Centre of Cardiff, it operates scheduled bus services. It also has a fleet of coaches, which operates on local contracts, as well as the UK and European private hire and holiday work. In addition, the Company offers transport services to professional sports teams.

Despite competing bids from other operators, the NAT Group successfully retained the TrawsCymru 'T9' contract in 2019 to continue operating services between Cardiff Airport and Cardiff Bay. The Company also introduced several new routes that fit around existing duties with low implementation costs.

In 2019, the NAT Group revamped its website and launched a mobile app for passengers including features to buy tickets and track bus movements.

The Company also simplified available ticketing options and is looking to reintroduce a corporate scheme in 2020 that offers discounts on rides.

The NAT Group is also expecting the delivery of six new Euro 6 single deck buses in the first quarter of 2020, with another eight new buses expected in the third and fourth quarter.





CHINA

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

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

NORTH CHINA

BEIJING

Taxi

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

For the year in review, the Beijing Municipal Government continued its measures to protect the welfare of cabbies. These included mandating that taxi companies sign labour contracts with cabbies, make social security contributions for them and subsidise fuel costs. These resulted in an increase in operating costs.

The Beijing Municipal Government's environmentally-driven plan for taxi companies to replace their fuel-driven taxis that were due for replacement with fully-electric models came into effect. To aid taxi companies that were making the switch, the Beijing Municipal Government extended the licensing period of fully-

electric taxis to eight years, which is two years more than that of petrol taxis. It also provided subsidies for each taxi that was converted and gave free licences to the taxi companies depending on the number of vehicles that underwent conversion.

Beijing Jin Jian Taxi Services replaced 222 of its older taxis with the fully-electric Beiqi EU300 taxis in 2019. As a result, fees on 10% of the licences were waived. It plans to convert another 868 taxis in 2020. The Company also converted some of its older taxis to private-hire vehicles as these generated a higher profit margin. In all, it operated 297 private-hire vehicles in 2019.

The conversion to EVs is not without challenge. Due to a lack of charging infrastructure, drivers have been slow to warm up to these vehicles. Whilst trying to get more drivers to jump on the EV bandwagon, the Company also extended the contracts of existing cabbies of petrol-driven taxis and continued to attract retirees and retrenched workers from state-owned enterprises to join its ranks.



JILIN CITY, JILIN PROVINCE

Taxi

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

The City's policy in which taxi companies are required to bear the Compulsory Traffic Insurance, Passenger Insurance, Third-Party Commercial Insurance as well as the Vehicle and Vessel Use Tax in full went into effect on 1 January 2019. With the Company bearing the majority of the operating costs, cabbies were able to see an improvement in their income.

To increase the safety awareness of cabbies and to reduce accident rates, the Company continued to conduct safety training for cabbies and vehicle inspections to weed out potential safety problems.

Jilin ComfortDelGro Taxi ceased its online car hailing service, which started in June 2018, due to aggressive competition.

SHENYANG, LIAONING PROVINCE

Taxi

The Group's total fleet operated by Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd in the City was 1,516 taxis in 2019, all of which were fully hired out.

During the year, both taxi companies continued with their fleet renewal programme by replacing 420 Jetta, Santana and Brilliance dual-fuel taxis with the Hyundai Elantra and Chongqing Changan Suzuki dual-fuel taxi model.

Strict new rulings that were imposed on the private hire industry, including one that required them to go fully electric, dampened supply of such vehicles.

The Company continued to build its brand image up by improving service quality with driver training and reducing accident rates through vehicle safety supervision. As a result, both companies were awarded the AAA Standard Enterprise of Shenyang Taxi Industry, and a total of 422 cabbies were commended by the Shenyang Transportation Bureau for their good service.

In November 2019, the Shenyang Municipal Government adjusted taxi rental prices, resulting in a slight increase in revenue.

WEST CHINA

CHENGDU, SICHUAN PROVINCE

Taxi

Our wholly-owned subsidiary, Chengdu ComfortDelGro Taxi Co., Ltd is the second largest taxi operator with a fleet size of 650 vehicles in the Capital City.

It was a challenging year for the Company due to a lack of regulations and enforcement by the Chengdu Municipal Government on third-party apps and illegal taxis. The proliferation of third-party apps also impacted the entire taxi industry, resulting in a 30% drop in the total number of taxis in the City.

To reduce pollution and improve the air quality in the City, the Government mandated that taxi companies needed to electrify their vehicles. To support the initiative, Chengdu ComfortDelGro Taxi rolled out a total of 50 fully-electric Geely EV450 taxis.

To retain cabbies, the Company continued its strategy of modifying contracts for cabbies from employee-based contracts to vendor-based ones, which had lower rental rates. It also rewarded cabbies who successfully referred new cabbies to the Company.

Car Rental & Leasing

The Group operates a motor vehicle rental and leasing business through its wholly-owned subsidiary ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd.

Driving Centre

2019 was a challenging year for our 95%-owned driving subsidiary, Chengdu ComfortDelGro Qing Yang Driving School Co., Ltd. The lack of regulatory control and stagnated population growth in the City meant that competition for students and instructors remained stiff.

EAST CHINA

SHANGHAI

Taxi

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

Local Authorities announced in May 2019 that all taxis had to be replaced by fully-electric vehicles from 1 July 2019 as part of the City's push towards electrification by 2022. As such, Shanghai City Qi Ai Taxi has started looking for a suitable fully-electric model for its 129 five-year-old taxis that are due for replacement in 2020. It also continued to focus its efforts on renewing the contracts of existing cabbies and engaging 'maiduan' and 'guakao' drivers to mitigate the shortage in cabbies.

SUZHOU, JIANGSU PROVINCE

Taxi

Despite stiff competition, our 70%-owned subsidiary, Suzhou Comfort Taxi Co., Ltd managed to maintain a 100% utilisation rate of its fleet of 165 vehicles in 2019. The Company also deployed 15 new Santana Livida taxis in November 2019.



OPERATIONS REVIEW

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 664 Compressed Natural Gas taxis. As a result of a huge growth in the number of private-hire cars as well as aggressive competition brought about by third-party online hailing apps, about 60% of its fleet was hired out in 2019.

Driving Centre

Nanjing ComfortDelGro Xixia Driver Training Co., Ltd, a joint venture between the Group's wholly-owned subsidiary in China, ComfortDelGro (China) Pte Ltd and Nanjing Qixia District Number 2 Passenger Transportation Co., Ltd (Nanjing Qixia), and Nanjing Bulk Lifting and Transportation (Group) Co., Ltd, started operations on 1 January 2019 with a fleet of 36 learner vehicles. Despite strong competition, Nanjing Xixia maintained its position as one of the top three driving centres in Nanjing.

SOUTH CHINA

GUANGZHOU, GUANGDONG PROVINCE

Bus Station

Our 60%-owned Tianhe Bus Station in Guangzhou served a total of 7.4 million passengers in 2019, a 21.1% drop from the previous year due to a variety of factors including a sluggish economy, the further expansion of the high speed rail and the LRT services, the growth of the car population, private-hire cars and buses as well as the persistence of illegal bus operations.

The expansion of the high speed rail and LRT services also impacted the cargo business, causing a number of bus routes to be terminated. This resulted in a drop in cargo revenue by 14% and a reduction in cargo items by 16.8% as compared to 2018. Lower ridership also affected retail rental revenue as tenants negotiated for lower rentals and worse, were forced to shutter.

Tighter government regulations had also resulted in lower passenger insurance sales and advertising revenue from the WeChat platform.

The challenging operating environment resulted in a drop in the number of bus stations in Guangzhou from 16 to 12 in 2019. As such, the Station registered increases in its market share in terms of bus trips and ridership to 32.2% and 34.3% respectively. It is still the first choice for many commuters because it offers the most comprehensive route network in Guangzhou, and is the industry's leader in automation and digitalisation, especially in the areas of ticket purchasing, gate-checking and bus despatching.

To mitigate the impact of these factors, the Station introduced several initiatives to tap on additional markets which include partnerships and developing under-utilised assets. For example, the Station worked with Guangzhou Tourist Board and travel companies to develop a "Tour and Travel Centre" within the Station in which it acts as a "bus hub" to tap on the domestic travel market. The Station also worked with the Guangzhou Provincial Bus Station to tap on the transiting passenger market.

During the year, the Station successfully converted unused spaces into office spaces for rental purposes and built a car park to generate additional revenue.

With the Government's push towards the electrification of public transport

vehicles, the Station installed 62 DC electric charging stations to provide charging services for the first batch of 40 fully-electric buses that is to be rolled out in 2020 by its partner, Guangzhou Public Transport Group. The charging service will also be available to the public for a fee.

NANNING, GUANGXI PROVINCE

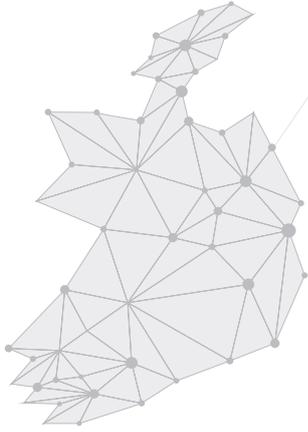
Taxi

Our 80%-owned subsidiary, Nanning Comfort Transportation Co., Ltd, is the largest taxi operator in Nanning with a fleet of 854 taxis and a high utilisation rate of 98% in 2019, an improvement over the 91% in 2018.

In the face of stiff competition brought about by third-party apps, the Company introduced two new initiatives to reward and retain drivers – a Long Service Award to recognise drivers' loyalty and an increase in taxi team leaders' allowances to reward them for managing the cabbies well. The Company is also planning for early replacements of older taxis.

In a move to streamline the Company's operation and manage operating costs, the Company appointed a new taxi workshop to replace its own. The new workshop, which is located close to the Company's office, has been well received by cabbies.





IRELAND

CORK • DUBLIN
GALWAY • LIMERICK

INTER-CITY EXPRESS COACH

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 a robust economy in 2019, demand for services across all of ComfortDelGro Irish Citylink's routes, in particular its airport direct services, continued to increase. To meet the demand for its airport direct service, ComfortDelGro Irish Citylink added 12 more daily direct journeys to its Galway-Dublin Airport route.

Technology continued to play a vital role as ComfortDelGro Irish Citylink invested in a CRM system to gain a better understanding of its customers for more effective marketing and engagement. By leveraging on technology, it successfully increased the number of affiliates or third-party agents that facilitated the sale of its coach tickets worldwide.

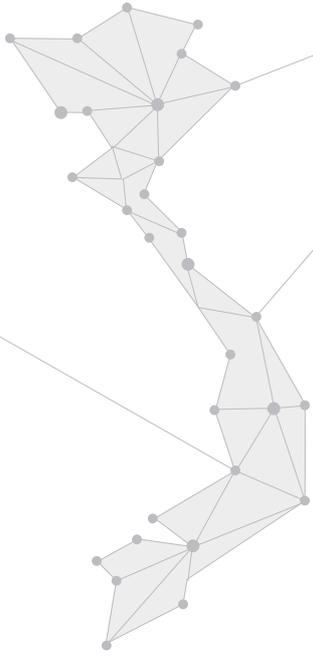
With CRM, its digital marketing strategy also provided positive results with online sales accounting for more than 60% of its revenue in 2019. Contribution looks set to increase further in 2020 with the planned launch of its new mobile-friendly website and online booking engine in the third quarter of 2020.

During the year, ComfortDelGro Irish Citylink was involved in numerous local and nationwide charity events. It also continued its sponsorship arrangement with Connacht Rugby – one of the four professional provincial rugby teams in Ireland – as exclusive transport provider.

To ensure improved sustainability and reduction in its carbon footprint, ComfortDelGro Irish Citylink worked closely with its main contractor to upgrade part of its fleet to Euro 6 standards. This exercise will continue in 2020.



OPERATIONS REVIEW



VIETNAM

HO CHI MINH CITY

TAXI



Vietnam Taxi (Vinataxi) Co., Ltd remained the third largest taxi operator in Ho Chi Minh City with a fleet of 211 taxis in 2019. The average age of its fleet is about three years old.

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

To generate more trips for its cabbies, Vinataxi continued to sell its taxi vouchers to mini hotels in District 1, the central urban district of the City, which were not served by dedicated taxi services. The sale of these taxi vouchers, which started in 2017, were then sold by the hotels to guests who would use them to pay for fares on board taxis operated by Vinataxi. These, in turn, were exchanged for cash by cabbies. As at end-2019, a total of 75 such mini hotels were selling these taxi vouchers.

To upkeep its driver strength, the Company gave incentive bonus to its cabbies who had completed one year of their hiring contract and performed well.

To further bolster fleet strength, Vinataxi launched the Co-Operative Partner Programme (CPP) in 2018. This allows drivers who possess a household business licence to pay Vinataxi a management fee to operate point-to-point services using their own vehicles. In 2019, 34 drivers had signed up for CPP, bringing the total number of sign-ons to 56. There are plans to increase the number of CPP cars in 2020.

There are also plans to replace the QR Code payment gateway provided by Vietnam Payment Solutions (VNPay) with SmartPay by Smartnet in 2020. Payments made via SmartPay will be credited directly to its cabbies, making it more convenient for them.

3.1
REVENUE
(S\$ MILLION)

211
TOTAL OPERATING
FLEET SIZE

82
TOTAL NUMBER OF
EMPLOYEES



MALAYSIA

KUALA LUMPUR

AUTO LEASING • INSPECTION & TESTING SERVICES



Auto Leasing

Our subsidiary, CityLimo Leasing (M) Sdn Bhd, offers auto leasing services in Malaysia through a fleet of 122 vehicles. Utilisation of its vehicles remained high in 2019. The Company specialises in dedicated telematics fleet management for clients with round-the-clock nationwide technical and roadside emergency assistance. Established in 1996, it provides both short- and long-term leasing for a full range of passenger cars, including sport utility and multi-purpose vehicles,

as well as light commercial vehicles. It is one of the leading auto leasing service providers for multinational corporations, especially those in the oil & gas, logistics and infrastructure industries.

Inspection & Testing Services

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

INVESTOR RELATIONS

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

PROACTIVE COMMUNICATIONS

During the year, the IR team met some 300 groups of investors, analysts and equity sales personnel. 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 nine investor conferences and non-deal road-shows in Singapore, Kuala Lumpur, Hong Kong and Bangkok. These platforms provide direct access to a wide cross-section of existing and new institutional investors from around the world. To reach out to retail investors in Singapore, an investor presentation was organised with a local stockbroker.

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 FY2018 results and the second quarter results for FY2019.

ComfortDelGro attracts active research coverage from sell-side analysts and the stock is now covered by 13 local and international research houses. Some 120 reports on the Company and the industry were published during the year. The IR team has regular interactions with the analysts to ensure a thorough understanding of our business models and strategies, operations and financial performance and growth opportunities.

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

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

At the Singapore Corporate Awards 2019 held on 23 July 2019, the Chief Financial Officer of VICOM Ltd won the Best Chief Financial Officer Award in the Mid-cap category.

At the 20th Securities Investors Association (Singapore) (SIAS) Investors' Choice Awards 2019 held on 26 September 2019, VICOM was the winner of the Singapore Corporate Governance Award for the Mid-cap category, Runner-up for the Shareholder Communications Excellence Award for the Mid-cap category and Runner-up for the Most Transparent Company Award in the Consumer Discretionary category. SBS Transit Ltd was also the Runner-up for the Most Transparent Company Award for the Consumer Discretionary Services category.

DIVERSE SHAREHOLDER BASE

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



Singapore 25%
North America 27%
UK 14%
Europe (ex-UK) 7%
Asia (ex-Singapore) & others 12%
Unanalysed 15%

Note: Approximate figures based on analysis of Share Register as at 31 October 2019.

CORPORATE GOVERNANCE

ComfortDelGro Corporation Limited (“ComfortDelGro” or the “Company”, and together with its subsidiaries, the “Group”), believes 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, the Company maintains 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.

The Company is committed and adheres to the Code of Corporate Governance issued by the Monetary Authority of Singapore dated 6 August 2018 (the “Code”) and ensures that it is upheld throughout the Group. The Company has also adopted a Code of Business Conduct, which sets out the principles and policies upon which the Company’s 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 Financial Year 2019, with specific references to the Code. For the Financial Year 2019, we are pleased to report that the Company complied in all material respects with the Code.

1. BOARD MATTERS

The Board of Directors (the “Board”) has a duty to protect and enhance the long-term value of the Company and achieve sustainable growth for the Group. It sets the overall strategic direction of the Company and oversees the proper conduct of the business, performance and affairs of the Group. Board members are expected to act in good faith and exercise independent judgement in the best interests of the Company.

In appointing 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 and Responsibilities

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 (which include appropriate focus on value creation, innovation and sustainability) and ensuring that adequate financial and human resources are in place to achieve the objectives;
- (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, and to achieve an appropriate balance between risks and Company and its Group’s performance;
- (iii) Challenging Management constructively and monitoring its 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, and ensuring transparency and accountability to all Stakeholders;
- (v) Instilling an ethical corporate culture and ensuring the Company’s values, standards, policies and practices are consistent with the culture; and
- (vi) Considering environmental, social and governance issues as part of its strategic formulation on sustainability.

Induction, Training and Development 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.

CORPORATE GOVERNANCE

Directors are encouraged to undergo continual professional development during the term of their appointment to update their knowledge and better equip themselves to discharge their duties as Directors for the Company. 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. External consultants are also engaged to conduct seminars on specific topics as and when necessary. For example, the Directors attended a Sustainability Workshop conducted by PAIA Consulting on 17 October 2019.

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.

Reserved Matters

ComfortDelGro has adopted clear, established and documented 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 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 also require the approval of the Board.

The Board periodically reviews the adequacy and effectiveness of internal controls, Risk Management 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.

Conflicts of Interest

All Directors are required to avoid situations where their own personal or business interests may conflict or appear to conflict with the interests of the Company. Where a Director has a conflict of interest, or it appears that he/she might have a conflict of interest in relation to any matter, he/she must immediately declare his/her interest at a meeting of the Directors or send a written notice to the Company containing details of his/her interest in the matter and the actual or potential conflict, and recuse himself/herself from participating in any discussion or decision on the matter.

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.

The terms of reference and summary of the activities of the ARC, NC and RC are described in further detail in the relevant sections below. The IC's terms of reference are to assist the Board to review and recommend investment strategies and opportunities to deliver steady and sustainable results through growth in the Company's business. The IC is authorised to approve transactions within its delegated authority limit in relation to acquisitions and investments within the scope of existing and approved business as well as any divestment of existing businesses.

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 2019, the Board had additional two meetings which included an off-site meeting on 10 July 2019 to conduct a Corporate Strategy Review.

On 9 January 2020, Singapore Exchange Regulations ("SGX RegCo") announced that quarterly reporting of financial results will no longer be mandatory with effect from 7 February 2020. Accordingly, the Company would only announce financial results semi-annually. However, in the interest of good corporate governance, the Board will continue to hold Board meetings on a quarterly basis to review the performance of the Group.

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 2019

Name	Annual General Meeting	Board		Audit & Risk Committee		Nominating Committee		Remuneration Committee		Investment Committee	
	Attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Lim Jit Poh	1	7	7	-	-	1	1	2	2	5 ^c	5
Yang Ban Seng	1	7	7	4	4 ^a	1	1 ^a	2	2 ^a	5 ^c	5
Jessica Cheam	1	7	7	-	-	1	1	-	-	4	4
Chiang Chie Foo	1	7	6	4	4	1	1	-	-	-	-
Lee Khai Fatt, Kyle	1	7	7	4	4	1	1	-	-	-	-
Ong Ah Heng	-	7	6	4	4	-	-	2	2	-	-
Ooi Beng Chin	1	7	7	-	-	-	-	2	2	5 ^c	5
Sum Wai Fun, Adeline	1	7	7	4	4	-	-	2	2	-	-
Tham Ee Mern, Lilian	1	7	6	4	4	-	-	-	-	4	3
Wang Kai Yuen	1	7	7	-	-	-	-	2	2	4	3
Wong Chin Huat, David ^b	1	1	1	-	-	-	-	1	1	-	-

Notes

(a) Attended meeting by invitation of the Committee

(b) Retired on 26 April 2019

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

Access to 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.

Independent Professional Advice

Directors can request for additional information and has full access to Management. Management provides information requested by Directors for its meetings and decision making in a timely manner. 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 organising 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.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

Board Independence

As at 31 December 2019, the Board comprised ten Directors with 90% of the Board being independent Directors. There is a strong level of independence in the Board. Except for the Managing Director/ Group Chief Executive Officer (MD/Group CEO) who is an executive and non-independent Director, all the

CORPORATE GOVERNANCE

remaining nine non-executive Directors (NED) are considered by the NC to be independent. This composition exceeds the requirements under the Code for at least one-third of the Board to comprise independent Directors. The Company is not required to have a majority of the Board to be made up of NEDs because the Chairman is independent. There is also no need to appoint a Lead Independent Director as 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 2019, four out of ten independent Directors have served on the Board for more than nine years. They are Mr Lim Jit Poh, Mr Ong Ah Heng, Ms Sum Wai Fun, Adeline and Dr Wang Kai Yuen. 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.

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.

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 knowledge skills, experiences, age and gender, and that 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 ten Directors is appropriate.

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

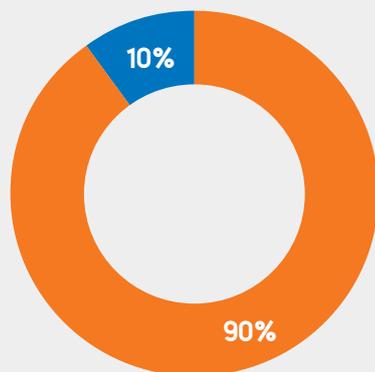
The Board recognises the merits of gender diversity in relation to composition of the Board and in identifying suitable candidates for new appointments to the Board would ensure that female candidates are included for consideration. As at 31 December 2019, out of ten directors on the Board, three directors or 30% are females.

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

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

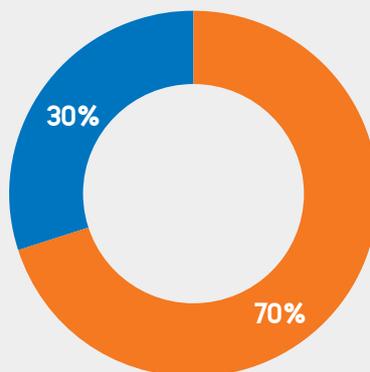
The individual profile of the Directors, their principal commitment and listed company directorships and chairmanships held currently in the preceding five years, are found in the 'Board of Directors' and 'Directors' Particulars' sections on pages 20 to 25 and pages 75 to 77 of this Annual Report.

Board Independence



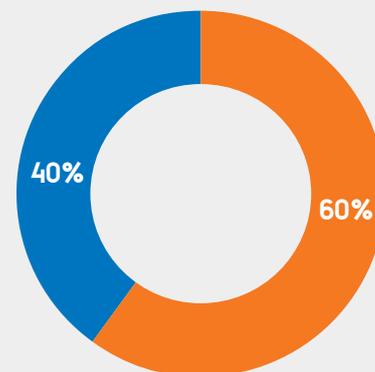
- Independent Non-Executive Director
- Non-Independent & Executive Director

Board Gender Diversity



- Male
- Female

Directors' Length of Service



- Served < 9 years
- Served > 9 years

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 and independent Chairman, who is not a Member of ARC, 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. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. As the Chairman is independent, there is no need to appoint a Lead Independent Director.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Roles of Chairman and MD/Group CEO

The roles of the Chairman and the MD/Group CEO are kept separate and distinct to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. This is a deliberate policy agreed by the Board and one that is strictly adhered to. This ensures Management accountability and Board independence. The Chairman is responsible for the effective functioning of the Board, while the MD/Group CEO is responsible for the operations and

management of the Group's businesses. The Chairman and the MD/Group CEO are not related.

The Chairman:

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

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

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

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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 majority 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, taking into account the need for progressive renewal of the Board.

Nominating Committee

As at 31 December 2019, the NC comprised 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, including the appointment and/or replacement of the Chairman and the CEO;
- (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, its Board Committees and individual directors' 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 and the Directors.

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 to ensure 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 2019, 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 Constitution of the Company provides that one-third of the Directors are subject to retirement and re-election by rotation at every Annual General Meeting (AGM). All Directors are required to retire from office at least once every three years. Re-election is, however, not automatic, and all Directors are assessed by the NC on their past performance and contributions before being recommended to Shareholders for re-election. Newly appointed Directors are also subject to retirement and re-election at the AGM immediately following their appointments. At the forthcoming AGM, Mr Yang Ban Seng, Mr Lee Khai Fatt, Kyle, Dr Wang Kai Yuen and Mr Ong Ah Heng are due for re-election pursuant to Regulation 93 of the Constitution. Mr Ong Ah Heng will not be seeking re-election and will retire at the conclusion of the forthcoming AGM.

Key Information on Directors

The profile of the Directors and key information are set out in this Annual Report from pages 20 to 25. The Notice of AGM sets out the Directors proposed for re-election or re-appointment at the forthcoming AGM. Key information on Directors are also available on the Company's website.

PRINCIPLE 5: BOARD PERFORMANCE

Each year, the Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is delegated by the Board to undertake 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 2019, the NC conducted a performance evaluation of the Board, the Board Committee, and individual Directors. The performance evaluation which included key points on Board's composition, Board's contributions, contributions at Board Committees, 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.

2. REMUNERATION MATTERS

PRINCIPLE 6: 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 performance, as well as long-term interests of the Group and Shareholders.

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 Key Management Personnel. Besides providing the Board with an independent review and assessment of Directors' fee, 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 and enhancing shareholder value.

As at 31 December 2019, the RC comprised five independent NEDs. This is in accordance with the Code. The RC considers all aspects of remuneration to ensure they are fair. 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 Key Management Personnel is discussed. No Director is involved in deciding his or her own remuneration.

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

- (i) Oversee the talent management and succession planning for Key Management Personnel;
- (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 Management Personnel 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 Management Personnel;
- (iv) Review the Group's obligations arising in the event of termination of Directors' and Key Management Personnel' 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; and
- (v) Review and approve the grant of Performance Share Awards under the ComfortDelGro Executive Share Award Scheme to Group Employees and Executive Directors.

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The RC has unrestricted access to the Group Chief Human Resource Officer, who attends all RC meetings and provides the relevant market remuneration data and practices to the Committee. The RC may also seek external independent expert advice on such matters where needed. In 2019, the Group continued to engage the services of an external consulting firm, Willis Towers Watson, to conduct an Executive Compensation Benchmarking exercise for an independent review of the compensation packages of its senior executives.

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedures for setting remuneration, and the relationship between remuneration, performance and value creation.

The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company, and it is appropriate to attract, retain and motivate the Directors and Key Management Personnel to successfully manage the Company for the long term.

Performance-related Remuneration

The Group is committed to creating and enhancing shareholder value through growth that is sustainable and profitable. The remuneration packages of the MD/Group CEO and Key Management Personnel comprise fixed and variable components, and is appropriate and proportionate to sustained performance and value creation of the Company. 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 and value creation 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 Company obtained Shareholders' approval at its AGM held on 26 April 2018 to implement the ComfortDelGro Executive Share Award Scheme for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group.

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

During Financial Year 2019, the Company granted the first tranche of share awards of 510,000 ordinary shares pursuant to the Executive Share Award Scheme to selected employees of the Group. This included an award of 100,000 ordinary shares to Executive Director, Mr Yang Ban Seng. These are time-based awards to be vested over a four-year period.

The Board and the RC believe that the Executive Share Award Scheme will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

Remuneration of Non-Executive Directors

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

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

The Directors' fee structure for 2019 is set out below:

Board	Basic fee (per annum)	
Chairman	S\$114,000	
Member	S\$57,000	
	Additional fees (per annum) as	
Board Committee	Chairman	Member
Audit and Risk Committee	S\$38,000	S\$26,600
Nominating Committee	S\$19,000	S\$13,300
Remuneration Committee	S\$19,000	S\$13,300
Investment Committee	S\$20,000	S\$14,000

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

Meetings	Attendance fee (per meeting)	
	In-person	Dial-in
Board	S\$1,000	S\$500
Board Committee	S\$1,000	S\$500

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

PRINCIPLE 8: DISCLOSURE ON REMUNERATION

Remuneration of Directors and Executives

MD/Group CEO's remuneration:

	The Group			
	Salary	Bonus	Others	Total Compensation
Remuneration	S\$	S\$	S\$	S\$
2019				
Yang Ban Seng	840,000	1,309,744	115,087	2,264,831

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

	Directors' fees
	2019 S\$
Lim Jit Poh	644,519 ¹
Jessica Chem	84,300
Chiang Chie Foo	96,900
Lee Khai Fatt, Kyle	96,900
Ong Ah Heng	116,900 ²
Ooi Beng Chin	84,300
Sum Wai Fun, Adeline	108,300
Tham Ee Mern, Lilian	97,600
Wang Kai Yuen	90,000
Wong Chin Huat, David	26,569 ³

Notes

- Including Director's fees from SBS Transit Ltd and VICOM Ltd, listed subsidiaries of the Company and other subsidiaries.
- Including Director's fees from ComfortDelGro Engineering Pte Ltd, a subsidiary of the Company.
- Amount constitutes Mr Wong Chin Huat's Director fees from 1 January 2019 to 26 April 2019. Mr Wong retired as a Director, and ceased to be a Member of the Remuneration Committee and Nominating Committee on 26 April 2019.

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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			
	Salary	Bonus	Others	Total Compensation
	%	%	%	%
2019				
S\$500,000 to S\$749,999				
Sim Wing Yew	43.9	43.9	12.2	100
Cheng Siak Kian	51.5	40.7	7.8	100
Yap Soon Hua Nicholas	54.2	22.6	23.2	100
S\$250,000 to S\$499,999				
Ang Wei Neng	51.1	38.3	10.6	100
Koh Thong Hean Derek*	52.8	43.6	3.6	100

* Joined the Company on 1 July 2019

The total remuneration paid to these five Executives holding the key portfolios (who are not Directors or the CEO) amounts to S\$2,610,811.

Remuneration of Certain Related Employees

During the Financial Year 2019, no key executive whose remuneration exceeded S\$100,000 was a substantial shareholder of the Company, or an immediate family member of a Director or the MD/Group CEO. "Immediate family member" means the spouse, child, adopted child, step-child, brother, sister and parent.

3. ACCOUNTABILITY AND AUDIT

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

The Group has formalised a Policy on Securities – Restrictions Against Dealings to provide guidance to Directors and executives of the Group in relation to dealings in the Company's securities. Directors and executives of the Group are prohibited from dealing

in the securities of the Company and its listed subsidiaries during the period commencing two weeks before the announcement of the Company's and its listed subsidiaries' first, second and third quarter results, and one month before the announcement of the full-year results and ending on the date of the announcement of the relevant results. All Directors and executives are notified of the trading blackout periods before the start of the financial year and are given reminders prior to each trading blackout period.

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

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

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its Shareholders.

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 levels. 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 78 to 80 of this Annual Report.

In 2019, the Group engaged an external consultant to review its risk management framework. The findings affirmed that key foundations of Enterprise Risk Management ("ERM"), including ERM function, risk governance and processes are in place in the Group. The consultants have also scrutinised the documentation and evidence of all risk controls, and are satisfied that the required measures and processes are in place.

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 2019, the Board has received assurance from the MD/Group CEO and the Group Chief Financial Officer (GCFO) (Mr Koh Thong Hean, Derek was appointed on 1 October 2019 as Acting GCFO following the retirement of the Group Financial Officer, Mr Choo Chek Siew on 30 September 2019, and redesignated as GCFO on 1 March 2020) that (i) the financial records have been properly maintained and the financial statements are prepared in compliance with the Singapore Financial Reporting Standards (International) and are correct in all material aspects and give a true and fair view of the operations and finances of the Group; and (ii) the Group's and internal controls systems (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective.

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

PRINCIPLE 10: AUDIT AND RISK COMMITTEE

As at 31 December 2019, the ARC comprises five independent NEDs. None of the ARC members are previous partners or directors of the External Auditors within the previous 24 months and none of the ARC members hold any financial interest in the

External Auditors. The Chairman and Members of the ARC are rotated periodically. The Board has reviewed and is satisfied that the members of the ARC are appropriately qualified to discharge their responsibilities.

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

- (i) Ms Sum Wai Fun, Adeline, Chairman of the ARC, is a non-executive and independent Director of ComfortDelGro. She is also a member of the Remuneration Committee. Ms Sum is currently the CEO of Singapore Labour Foundation and the Deputy CEO of NTUC Enterprise Co-operative Limited. Ms Sum holds a Master of Business Administration (Accountancy) from the Nanyang Technological University.
- (ii) Mr Chiang Chie Foo, Member of the ARC, is a non-executive and independent Director of ComfortDelGro. He is also a member of the Nominating Committee. Mr Chiang is the Chairman of Singapore's Central Provident Fund Board, a world-class social security organisation, PUB (Singapore's National Water Agency) and Ascendas Property Fund Trustee Pte Ltd which manages Ascendas India Trust (a property trust which owns seven IT parks and six modern warehouses in India) and AETOS Holdings Pte Ltd. Mr Chiang is a Director on the Board of the Lee Kuan Yew Exchange Fellowship, Epworth Community Services and Valencia Club De Futbol, a Senior Advisor to the Republic of Singapore's Ministry of Defence and a Trustee Member of the APB Foundation. Mr Chiang served in the Singapore Government's Administrative Service, holding various senior appointments in the Ministries of Finance, Education, Home Affairs and Defence. Mr Chiang holds a Bachelor of Engineering (First Class Honours) from the University of Western Australia, Australia and a Master in Public Administration from Harvard University, USA.
- (iii) Mr Lee Khai Fatt, Kyle, Member of the ARC, is a non-executive and independent Director of ComfortDelGro. He is also a Member of the Nominating Committee. He 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. Mr Lee is a Fellow of the Institute of Chartered Accountants in England and Wales, the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. Additionally, he has a Master of Science In International Management from SOAS London and Master of Business Administration from Imperial College London.
- (iv) Mr Ong Ah Heng, Member of the ARC, is a non-executive and independent Director of ComfortDeGro. He is also a Member of the Remuneration Committee. Mr Ong 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

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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. 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.

- (v) Ms Tham Ee Mern, Lilian, Member of the ARC, is a non-executive and independent Director of ComfortDelGro. She is also a Member of the Investment Committee. Ms Tham is the Asia Pacific Chief Operating Officer at Schroder Investment Management (Singapore) Limited. Ms Tham is presently a Board Member of Home Nursing Foundation and is a member of DTCC Asia Executive Council. Ms Tham is a Fellow of the Institute and Banking and Finance Singapore. She has been actively volunteering her expertise in various industry associations and committees in IBF, TESA and NTUC Enterprise. Ms Tham holds a Bachelor of Science in Information Systems from the National University of Singapore.

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 terms of reference 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 adequacy and independence of the Group's internal audit function;
- (iii) Review the quarterly and annual financial statements and also significant accounting and reporting issues and their impact on financial statements so as to ensure the integrity of the financial statements and any formal announcements relating to the Group's financial performance and recommend to the Board the acceptance of such financial statements;
- (iv) Review the scope and results of the audits undertaken by the Internal and External Auditors, including non-audit services performed by the External Auditors to ensure that there is a balance between maintenance of objectivity and cost effectiveness;
- (v) Review Interested Person Transactions;
- (vi) Recommend the appointment, re-appointment or removal of the External Auditors at the AGM and review the fees due to them;

- (vii) Review and approve the annual audit plans of the External Auditors;
- (viii) Review and approve the Internal Auditor's annual and three-year rolling work plans; and
- (ix) Review the effectiveness of the Group's Whistle Blowing Policy. The Whistle Blowing Policy is described on page 80 of this Annual Report.

Audit and Risk Committee's Activities

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

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

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 or executive officer to attend its meetings and reasonable resources to enable it to discharge its duties properly.

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

Significant Financial Reporting Matters

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

Significant matters	Review of significant matters by the ARC
Taxi vehicles, taxi licences and goodwill impairment review	The ARC considered the approach and methodology applied to the valuation model for taxi vehicles, taxi licences and goodwill impairment assessment. Following the review and discussions with Management and the External Auditors, the ARC is satisfied that the key assumptions used in the impairment assessment of taxi vehicles, taxi licences and goodwill are reasonable.
Valuation and completeness of provision for accident claims	The ARC considered the approach and methodology applied to the valuation and completeness of provision for settlement of accident claims. Following the review and discussions with Management and the External Auditors, 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 2019.

Review of Independence of External Auditors

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 and the Accountants Act. Having satisfied itself that the independence of the External Auditors, Deloitte & Touche LLP, is not impaired by their provision of non-audit services to the Group and that Rules 712, 715 and 716 of the SGX-ST Listing Manual have been complied with, the ARC has recommended to the Board that Deloitte & Touche LLP be nominated for reappointment as the Company's External Auditors at the next AGM.

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

Internal Audit

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

The Group Internal Audit Division adopts a risk based approach in its continuous audit work with focus on material internal control systems including financial, operational, information technology and compliance controls. It provides an independent and objective evaluation of the internal control systems and Corporate Governance processes of the Group. The annual and three year rolling audit plans are developed by the GCIAO in consultation with, but independent of, Management and are subject to the ARC's approval before the start of each financial

year. Quarterly internal audit summary reports are also prepared and submitted to the ARC on the status of audits carried out. Any material non-compliance or lapses in internal controls are reported to the ARC and the MD/Group CEO for improvements to be made. The ARC has full access to the GCIAO, and meets with the GCIAO at least once a year in the absence of Management. The Group Internal Audit Division is given unfettered access to all the Group's documents, records, properties and personnel, including access to the ARC.

The activities and organisational structure of the Group Internal Audit Division are monitored and reviewed by the ARC periodically to ensure that it has the necessary resources to adequately perform its functions and that there are no unjustified restrictions and limitations placed on the performance of its duties. The Group Internal Audit Division has adopted the International Standards for the Professional Practice of Internal Auditing laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors (IIA Standards). The Group Internal Audit Division successfully completed its external Quality Assurance Review in 2018 by PricewaterhouseCoopers LLP and continues to meet or exceed the IIA Standards in all key aspects. The next Quality Assurance Review is scheduled for 2023.

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

4. SHAREHOLDER RIGHTS AND ENGAGEMENT

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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 press releases, announcements to the SGXNet, media and analyst briefings after the announcement of the Financial Results, presentations, as well as the announcements and press releases posted on the Company's website. The Group

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has formalised a Policy on Securities – Drafting and Releasing SGX Announcements to provide guidance on preparation of SGX Announcements.

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

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

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

Conduct of Shareholder Meeting

The Company encourages and supports shareholder participation at general meetings, and 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 Chairpersons 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.

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

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

Each issue or matter requiring Shareholders' approval is tabled as a separate and distinct Resolution. All the Resolutions at the Shareholders' Meeting 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 on the Company's website.

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.

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 SGX-Net. Dividends are paid to Shareholders in an equitable and timely manner.

PRINCIPLE 12: ENGAGEMENT 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 and transparent 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 58 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 GCIRO. Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information.

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

5. MANAGING STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company recognises the importance of engaging and balancing the needs and interests of material stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has arrangements in place to enable it to engage stakeholders so as to better understand and take action to address their needs and interests. The basis for and methods of engagement with the stakeholders, along with the key areas of focus for each stakeholder group, can be found in the Sustainability Report. Our Sustainability 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.

The Company maintains a current corporate website to communicate and engage with stakeholders.

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 open 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 business in an open and 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.

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Data Protection Policy

All Business Units are required to comply with applicable laws pertaining to data protection. In particular, the Business Units in Singapore have implemented data protection policies and practices to ensure compliance with the obligations under the Personal Data Protection Act and Do Not Call provisions that came into force in 2014.

Cyber Security Policy

The Group has adopted the international information Security Standard ISO 27000 in assessing and formulating the Company's cyber security framework. The Group regularly reviews its cyber security measures to ensure effective protection of our information technology systems and databases. We have implemented multi-layered defence, including firewalls, intrusion prevention system, network access control, server hardening, data encryption and employee security training. We keep abreast of the evolving threats and the latest techniques, and actively collaborate with cyber security authorities and regulators to develop appropriate countermeasures.

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

Supplier Ethics Policy

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

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

Creditors' Payment Policy

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

Interested Person Transactions

Listing Manual – Rule 907

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

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

DIRECTORS' PARTICULARS

Name	Age	Present Directorships / Chairmanships (as at 31 December 2019)	Past Directorships / Chairmanships held over the preceding five years (from 1 January 2015 to 31 December 2019)	Present Principal Commitments	Past Principal Commitments over the preceding five years
Lim Jit Poh Chairman (Non-executive & Independent)	80	<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>Principal 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	Nil

* Listed Company

DIRECTORS' PARTICULARS

Name	Age	Present Directorships / Chairmanships (as at 31 December 2019)	Past Directorships / Chairmanships held over the preceding five years (from 1 January 2015 to 31 December 2019)	Present Principal Commitments	Past Principal Commitments over the preceding five years
Yang Ban Seng Managing Director / Group Chief Executive Officer (Executive & Non-Independent)	63	Principal Directorships in the ComfortDelGro Group <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 Principal Directorships in the SBS Transit Group <ul style="list-style-type: none"> • SBS Transit Ltd* • SBS Transit DTL Pte Ltd Principal Directorships in the VICOM Group <ul style="list-style-type: none"> • VICOM Ltd* • Setsco Services Pte Ltd • JIC Inspection Services Pte Ltd 	Nil	Nil	Nil
Jessica Cheam Director (Non-executive & Independent)	36	Other Companies <ul style="list-style-type: none"> • Eco-Business Pte Ltd • Embodhi (Singapore) Limited • EB Impact Limited 	Nil	<ul style="list-style-type: none"> • Eco-Business Pte Ltd (Managing Editor) 	<ul style="list-style-type: none"> • The Straits Times Correspondent
Chiang Chie Foo Director (Non-executive & Independent)	63	Other Companies <ul style="list-style-type: none"> • Ascendas Property Fund Trustee Pte Ltd (Manager of Ascendas India Trust*) • Lee Kuan Yew Exchange Fellowship • Valencia Club de Fútbol • AETOS Holdings Pte Ltd • Epworth Community Services 	<ul style="list-style-type: none"> • Rowsley Ltd* 	<ul style="list-style-type: none"> • PUB, Singapore's National Water Agency (Chairman since 2017) • Central Provident Fund Board (Chairman since 2013) • Ascendas Property Fund Trustee Pte Ltd (Manager of Ascendas India Trust*) (Chairman since 2016) • Ministry of Defence (Senior Advisor since 2013) • Epworth Community Services (Board Member since 2017) • AETOS Holdings Pte Ltd 	Nil

* Listed Company

Name	Age (as at 31 December 2019)	Present Directorships / Chairmanships	Past Directorships / Chairmanships held over the preceding five years (from 1 January 2015 to 31 December 2019)	Present Principal Commitments	Past Principal Commitments over the preceding five years
Lee Khai Fatt, Kyle Director (Non-executive & Independent)	68	Other Companies <ul style="list-style-type: none"> • Great Eastern Holdings Limited* • CapitalLand 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	Nil
Ong Ah Heng Director (Non-executive & Independent)	76	Directorship in the ComfortDelGro Group <ul style="list-style-type: none"> • ComfortDelGro Engineering Pte Ltd 	Nil	Nil	Nil
Ooi Beng Chin Director (Non-executive & Independent)	58	Other Companies <ul style="list-style-type: none"> • Bestpeer Pte Ltd 	Nil	<ul style="list-style-type: none"> • NUS Graduate School (Professor) 	Nil
Sum Wai Fun, Adeline Director (Non-executive & Independent)	51	Other Companies <ul style="list-style-type: none"> • Mercatus Co-operative Limited • NTUC Health Co-operative Limited • Moneyowl Private Limited • NTUC Learninghub Pte Ltd • NTUC First Campus Co-operative Ltd • SLF Leisure Enterprise (Pte) Ltd 	<ul style="list-style-type: none"> • Singapore Institute of Management Society • Singapore Institute of Management Group Limited 	<ul style="list-style-type: none"> • Singapore Labour Foundation (Chief Executive Officer) • NTUC Enterprise Co-operative Limited (Deputy Chief Executive Officer, Strategic Alignment) 	<ul style="list-style-type: none"> • NTUC Enterprise Co-operative Limited (Chief Development Officer) • Mercatus Co-operative Limited (Chief Executive Officer) • NTUC Choice Homes-operative Limited (Chief Executive Officer) • NTUC FairPrice Co-operative Limited (Managing Director, Corporate Strategy)
Tham Ee Mern, Lilian Director (Non-executive & Independent)	51	Other Companies <ul style="list-style-type: none"> • 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) Ltd • Schroder Singapore Holdings Pte Ltd • SIMBL Nominees Pte Ltd • Schroder India Pte Ltd 	Nil
Wang Kai Yuen Director (Non-executive & Independent)	72	Other Companies <ul style="list-style-type: none"> • COSCO Corporation (Singapore) Ltd* • Ezion Holdings Ltd* • HLH Group Ltd * • Emas Offshore Ltd * • Waan Holdings Pte Ltd 	<ul style="list-style-type: none"> • A-Sonic Aerospace Ltd* • Matex International Ltd* • China Aviation Oil (Singapore) Corporation Ltd* • Cubee Pte Ltd • Great Source Pte Ltd 	Nil	Nil

* Listed Company

RISK MANAGEMENT

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

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

- The risk management process is a continuous and iterative one, as the Group's businesses and operating environments are dynamic. Risk identification, assessment and risk management practices are reviewed and updated regularly to manage risks proactively.
- We promote and inculcate risk awareness among all our employees by embedding risk management processes into day-to-day business operations and setting an appropriate tone at the top. Regular exercises, continuous education and training, as well as communications through various forums on risk management are carried out to sustain a risk-informed and risk-aware culture in the Group.
- Ownership of and accountability for the risk management process is clearly defined and assigned to the Business Units, departments and individuals. Managers at each level have intimate knowledge of their businesses and take ownership of risk management, with stewardship retained at Senior Management.

The Management Risk Committee (MRC) works closely with the Business Units to ensure that risk management is taken seriously, and that the Risk Management Framework is diligently implemented across the Group. The Managing Director/Group Chief Executive Officer (MD/Group CEO) chairs the MRC, and members are drawn from major Business Units/Departments Heads. Key risks for the Group are identified and presented to the Audit and Risk Committee and the Board annually.

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

FINANCIAL RISKS

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

Financial Authority Limits

Comprehensive and specific financial authority limits are put in place for capital expenditure, operating expenses, treasury matters, direct investments, revenue tender participation, and disposal and write-off of assets. These authority limits are delegated based on the organisational hierarchy from the Board down to the 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 comprehensive Annual Budget is prepared and approved by the Board prior to the commencement of each financial year. Material variations between actual and budgeted performance are reviewed on a monthly basis. 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. Specific approvals must be sought for unbudgeted expenditures. Tight control on manpower is exercised through the headcount budget.

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 104 to 188.

Economic cycle

Changes in economic conditions in the countries that the Group operates in may impact the businesses in terms of customer demand and the cost of providing the services. We manage these risks by continuously scanning and monitoring political and economic issues. We also monitor demand trends, cost structures, and operating margins closely. Expenses are managed in the light of revenue patterns and changing market conditions. 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 rigorous reporting framework to manage these risks.

Safety and Security

Managing the safety and security of our customers, our staff and the public is the cornerstone of the Group's safety and security policy. We run safety awareness and training programmes to instil a safety and security conscious culture in our employees at all levels. Safety audits are conducted regularly to ensure that 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 jointly, with external agencies. Besides patrolling guards, fence intrusion detection systems and other security features are installed at all our operating facilities. Members of the public are encouraged to look out for suspicious objects or persons.

Environmental

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

Human Resource

The Group's ability to develop and grow the business depends on the quality of its employees, and it is committed to invest in building its resource pool. We have in place various programmes and processes that focus on several key areas, including talent

management, building management bench strength, succession planning, performance management, compensation and benefits, training and development, and employee conduct and supervision. We ensure that our employees are selected and promoted based on merit, they understand their responsibilities and are given access to necessary training. At all times, a positive, constructive and productive working climate based on strong tripartite relations is fostered. We ensure that all policies, processes, terms and conditions of employment, including those relating to foreign labour force, are in compliance with the relevant regulations.

Property and Liability

The Group's exposure to property damage, business interruption and other liability risks is constantly monitored and reviewed with the Group's in-house insurance broking 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 databases and other assets. Such risks can arise from adverse natural events like flooding, bushfires, or from pandemic outbreaks. The BCPs include identification and planning of alternate recovery centres, operational procedures to maintain communication, measures to ensure continuity of critical business functions, protection of our employees and customers, and recovery of information databases. 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 and cyber risks 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 failures which can result in disruption of the business, or a security breach of our information technology systems. Cyber security is about protecting information systems and data from unauthorised access, use, disclosure, disruption, modification or destruction. The Group's information technology security management framework complies with the latest industry standards. We have put in place various controls and data recovery measures to mitigate the risks, including the use of intrusion prevention systems, multi-level firewalls, server protection, software code hardening and data loss prevention controls to manage Internet security and Cyber threats. Penetration tests are carried out regularly to test the systems, identify potential vulnerabilities and to strengthen the security hardening of our websites. Information security policies and procedures, including education for all staff, are reviewed and enhanced regularly.

RISK MANAGEMENT

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. These regulations include pricing, service standards, licences to operate and transport policies, which are stipulated by the relevant regulatory Authorities. We work closely with regulatory Authorities in the respective countries as part of our risk management process to keep abreast of developments and policies that may affect our businesses and the competitive landscape. We manage our operations effectively to ensure that standards are met, thereby reducing significantly the risk of licences being withdrawn.

STRATEGIC RISKS

We continually review our business strategy to ensure that we remain a relevant and significant player in the land mobility market. To strengthen our foothold in existing markets, we participate in competitive public transportation tenders and actively look for investment opportunities. We evaluate each new investment proposal to ensure that it is in line with the Group's strategy and investment objectives, and that it is able to meet the relevant hurdle rates of return. This assessment includes macro and project specific risks analysis covering feasibility study, due diligence, financial modelling and sensitivity analysis of key investment assumptions and variables. Every 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. To stay ahead of the technology curve, the Group actively explores and experiments with innovative technologies and new business models. We keep a close watch and selectively invest in digitalisation, electrification and autonomous technologies that will impact and shape the future of the mobility industry.

AUDIT PROCESS

The Internal and External Auditors conduct reviews in accordance with their audit plans to assess the adequacy of the internal controls that are in place. In the course of their audits, the Internal and External Auditors will highlight to the Management and the Audit and Risk Committee the areas where there are material deficiencies, non-compliance, weaknesses or where there are occurrences or potential occurrence of significant risk events. The auditors will also propose mitigating measures and treatment plans. The recommendations are followed up as part of the Group's continuous review of its system of internal controls, and the implementation status is reported to the Audit and Risk Committee.

CODE OF BUSINESS CONDUCT AND WHISTLE BLOWING POLICY

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

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

DIRECTORIES

SINGAPORE

Bus

COMFORTDELGRO BUS PTE LTD

205 Braddell Road
Singapore 579701
Mainline: (65) 6416 9650
Fax: (65) 6456 0922
Website: www.comfortdelgrobus.com.sg
Email: enquiry@comfortdelgrobus.com.sg

SBS TRANSIT LTD*

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

Taxi

CITYCAB PTE LTD

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

COMFORT TRANSPORTATION PTE LTD

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

Rail

SBS TRANSIT DTL PTE LTD

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

SBS TRANSIT LTD*

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

Automotive Engineering Services

COMFORTDELGRO ENGINEERING PTE LTD

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

Inspection & Testing Services

VICOM LTD*

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

VICOM INSPECTION CENTRE PTE LTD

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

JIC INSPECTION SERVICES PTE LTD

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

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: <https://www.cdc.com.sg>
Email: info@cdc.com.sg

Car Rental & Leasing

COMFORTDELGRO RENT-A-CAR PTE LTD

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

Insurance Broking Services

COMFORTDELGRO INSURANCE BROKERS PTE LTD

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

Outdoor Advertising

MOOVE MEDIA PTE LTD

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

AUSTRALIA

New South Wales

SYDNEY

Bus

CDC NSW PTY LTD AND HILLSBUS CO 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

FOREST COACH LINES PTY LTD

4 Myoora Road
Terrey Hills, NSW 2084
Mainline: (02) 9450 2277
Email: buses@forestcoachlines.com.au

BALLINA

Bus

B&E BLANCH PTY LTD

5 De Havilland Crescent, Ballina NSW 2478
Mainline: (02) 6686 2144
Fax: (02) 6687 2046
Email: info@blanchs.com.au

* Listed on the Singapore Exchange

DIRECTORIES

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.moovemediainfo.com
Email: advertising@moovemediainfo.com.sg

BROKEN HILL

Bus

CDC BROKEN HILL PTY LTD

563-565 Chapple Lane
Broken Hill, NSW 2880
Mainline: (08) 8087 3311
Email: cdcbrokenhill@cdcbus.com.au

BLUE MOUNTAINS AND HUNTER VALLEY

Bus

BLUE MOUNTAINS TRANSIT PTY LTD

25 Great Western Highway
Valley Heights
NSW 2777
Mainline: (61) 2 4751 1077
Fax: (61) 2 4751 5870
Website: www.cdcbus.com.au
Email: bmtcustomerservice@cdcbus.com.au

HUNTER VALLEY BUSES PTY LTD

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

HUNTER VALLEY BUSES PTY LTD

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

COASTAL LINER COACHES

157 Sparks Road Warnervale
NSW 2259
Mainline: (02) 4392 3050
Fax: (02) 4393 2910
Email: accounts@coastalliner.com.au

QUEANBEYAN

Bus

QCITY TRANSIT PTY LTD

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

Victoria

MELBOURNE

Bus

COMFORTDELGRO CORPORATION AUSTRALIA PTY LTD AND CDC VICTORIA PTY LTD

28 Prosperity Street, Truganina
VIC, 3029, Australia.
Mainline: (61) 3 9977 9999
Website: www.cdcvictoria.com.au
Email: info.vic@cdcbus.com.au

Taxi

CDC FLEET PTY LTD

1-13 Louis Street
Airport West
VIC 3042
Mainline: (03) 9330 3231
Email: contact.vic@cdcfleet.com.au

Non-emergency Patient Transportation

NATIONAL PATIENT TRANSPORT PTY LTD

3/158-168 Browns Road
Noble Park North VIC 3174
Mainline: (61) 1300 628 728
Fax: (61) 3 9544 9501
Website: <https://www.nptgroup.com.au>
Email: admin@nptgroup.com.au

MILDURA

Bus

CDC MILDURA PTY LTD

8-10 Bathurst Court, Mildura
VIC 3500
Mainline: (03) 5023 0274
Email: cdcmildura@cdcbus.com.au

BALLARAT

Bus

CDC BALLARAT PTY LTD

804 Norman St, Invermay Park
VIC 3350
Mainline: (03) 5331 7777
Email: cdcballararat@cdcbus.com.au

GEELONG

Bus

CDC GEELONG PTY LTD

65 Edols St, North Geelong,
VIC 3215
Mainline: (03) 5240 5000
Email: cdcgeelong@cdcbus.com.au

Northern Territory

DARWIN

Bus

BUSLINK NT PTY LTD

113 Pruen Road
Berrimah NT 0828
Mainline: (08) 8944 2444
Website: www.buslink.com.au
Email: info.darwin@buslink.com.au

ALICE SPRINGS

Bus

BUSLINK ALICE SPRINGS PTY LTD

7 Kidman Street,
Alice Springs NT 0870
Mainline: (08) 8952 5611
Fax: (08) 8953 4458
Website: www.buslink.com.au
Email: info.alicesprings@buslink.com.au

Queensland

SUNSHINE COAST

Bus

BUSLINK SUNSHINE COAST PTY LTD

11 Page Street
Kunda Park, QLD 4556
Mainline: (07) 5476 6622
Fax: (07) 5476 6577
Website: www.buslink.com.au
Email: info.sunshinecoast@buslink.com.au

GLADSTONE

Bus

BUSLINK GLADSTONE PTY LTD

9 Lyons Street, Gladstone, QLD 4680
Mainline: (07) 4972 1670
Fax: (07) 4972 5137
Website: www.buslink.com.au
Email: info.gladstone@buslink.com.au

Western Australia

PERTH

Taxi

SWAN TAXIS PTY LTD

7 Harvey Street
Victoria Park WA 6100
Mainline: (61) 8 9422 2222
Fax: (61) 8 9422 2224
Website: www.swantaxis.com.au
Email: admin@swantaxis.com.au

COMFORTDELGRO SWAN PTY LTD T/A CDS FLEET MANAGEMENT

24 Rudloc Road
Morley WA 6062, Australia
Mainline: (61) 8 9375 3331
Email: admin@cdsfleetmanagement.com.au

Bus

PURPLE COACHES (COMFORTDELGRO SWAN PTY LTD T/A PURPLE COACHES)

24 Rudloc Road
Morley WA 062, Australia
Mainline: (61) 8 6102 6337
Website: www.purplecoaches.com.au
Email: email@purplecoaches.com.au

UNITED KINGDOM

England

LONDON

Bus

METROLINE LIMITED

ComfortDelGro House
329 Edgware Road
Cricklewood
London NW2 6JP
Mainline: (44) 20 8218 8888
Fax: (44) 20 8218 8840
Website: www.metroline.co.uk
Email: info@metroline.co.uk

Coach

WESTBUS COACH SERVICES LTD

Metroline Depot
12 Rigby Lane
Hayes UB3 1ET
Mainline: (44) 20 8756 4099
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.comcab-london.co.uk
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

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

SCOTLAND

GLASGOW

Coach

SCOTTISH CITYLINK COACHES LIMITED

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

ABERDEEN

Taxi Radio Circuit

COMPUTER CAB (ABERDEEN) LIMITED

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

WALES

Cardiff

NEW ADVENTURE TRAVEL LTD

Coaster Place, Cardiff
CF10 4XZ
Mainline: (44) 29 2044 2040
Website: www.natgroup.co.uk
Email: info@natgroup.co.uk

CHINA

North China Business Unit

BEIJING

Taxi

BEIJING JIN JIAN TAXI SERVICES CO., LTD

Beijing Jin Jian Office Building,
Shifu Road A2
Shi Jing Shan District
Beijing
Postal Code 100042
Mainline: (86) 10 8895 1608
Fax: (86) 10 8895 1608
Email: emilywu@comfortdelgro.com

Vehicle Testing Services

BEIJING TIAN LONG DA TIAN VEHICLE INSPECTION CO., LTD

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

JILIN CITY, JILIN PROVINCE

Taxi

JILIN COMFORTDELGRO TAXI CO., LTD

West side of Chengnan Street, High-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 3741
Fax: (86) 24 2482 3064
Email: duanln@comfortdelgro.com

SHENYANG COMFORTDELGRO TAXI CO., LTD

No. 52 Wen Hua East Road
Shenhe District
Shenyang, Liaoning
Postal Code 110015
Mainline: (86) 24 2420 3741
Fax: (86) 24 2482 3064
Email: duanln@comfortdelgro.com

DIRECTORIES

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 5206
Fax: (86) 28 8471 5206 814
Email: dennislilm@comfortdelgro.com

Car Rental & Leasing

COMFORTDELGRO RENT-A-CAR (CHENGDU) CO., LTD

No. 910 Daohang Road,
Riyue Avenue 2nd Section,
Qing Yang District, Sichuan
Postal Code 610000
Mainline: (86) 28 8471 8859
Fax: (86) 28 8471 7858
Email: dennislilm@comfortdelgro.com

Driving Centre

CHENGDU COMFORTDELGRO QING YANG DRIVING SCHOOL CO., LTD

Wen Jia Hong Nian Zi
Qing Yang District
Chengdu, Sichuan
Postal Code 610091
Mainline: (86) 28 8707 0700
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: laurencelee@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: laurencelee@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: laurencelee@comfortdelgro.com

Driving Centre

NANJING COMFORTDELGRO XIXIA DRIVER TRAINING CO., LTD

33 Jingtian Road, Xigang Sub-district
Qixia District
Nanjing, Jiangsu
Postal Code 210033
Mainline: (86) 25 8571 1368
Email: laurencelee@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 530007
Mainline: (86) 771 581 6783
Fax: (86) 771 339 3629
Email: marctay@comfortdelgro.com

IRELAND

GALWAY

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) 28 3815 5152
Fax: (84) 28 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

FINANCIAL CALENDAR

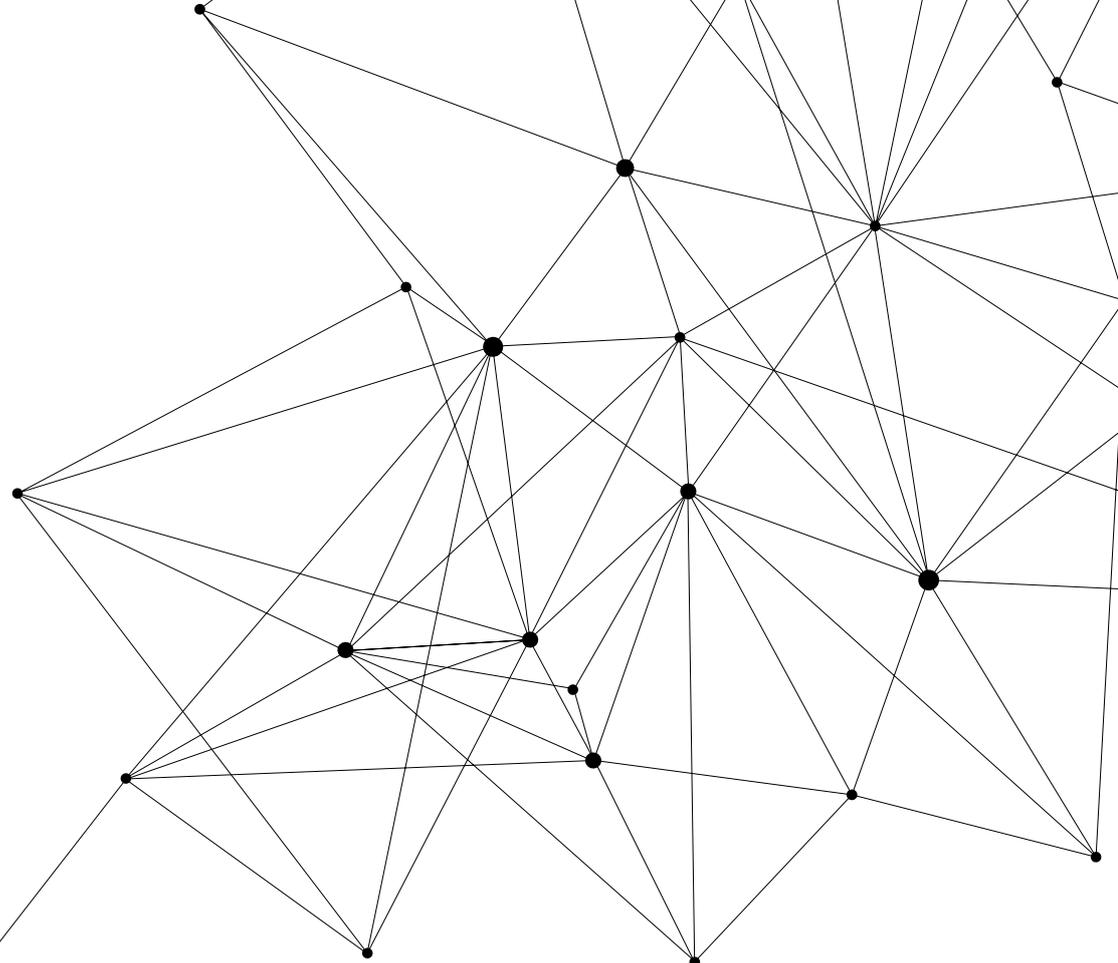
2019

Announcement of 2018 Full Year Results	13 February 2019
Annual General Meeting	26 April 2019
Announcement of 1st Quarter 2019 Results	14 May 2019
Payment of 2018 final dividend (6.15 cents/share)	14 May 2019
Announcement of 2nd Quarter 2019 Results	13 August 2019
Payment of 2019 interim dividend (4.5 cents/share)	28 August 2019
Announcement of 3rd Quarter 2019 Results	13 November 2019

2020

Announcement of 2019 Full Year Results	14 February 2020
Annual General Meeting	24 April 2020
Payment of 2019 final dividend (5.29 cents/share) (Subject to Shareholders' approval at the forthcoming Annual General Meeting)	13 May 2020
Announcement of 2020 Half Year Results	14 August 2020*

* Provisional – Updates will be posted on www.comfortdelgro.com



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DIRECTORS' STATEMENT

The Directors present their statement together with the audited Consolidated Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group"), the Statement of Financial Position and Statement of Changes in Equity of the Company for the financial year ended 31 December 2019.

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 96 to 188 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

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

Lim Jit Poh (Chairman)
Yang Ban Seng (Managing Director/Group Chief Executive Officer)
Jessica Cheam
Chiang Chie Foo
Lee Khai Fatt, Kyle
Ong Ah Heng
Ooi Beng Chin
Sum Wai Fun, Adeline
Tham Ee Mern, Lilian
Wang Kai Yuen

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.

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 2019	At 31 December 2019	At 21 January 2020
Interest in the Company			
(a) Ordinary shares			
Lim Jit Poh	244,425	244,425	244,425
Yang Ban Seng	157,168	7,168	7,168
Yang Ban Seng (Deemed Interest)	18,185	18,185	18,185
Lee Khai Fatt, Kyle	100,000	100,000	100,000
Lee Khai Fatt, Kyle (Deemed Interest)	70,000	70,000	70,000
Ong Ah Heng	755,558	755,558	755,558
Sum Wai Fun, Adeline	240,000	240,000	240,000
Wang Kai Yuen	52,500	52,500	52,500
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	660,000	660,000	660,000

Interest in subsidiary, VICOM Ltd

(a) Ordinary shares			
Lim Jit Poh	190,000	190,000	190,000

4 SHARE OPTIONS AND SHARE AWARDS

(A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the CDG ESOS. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Wang Kai Yuen (Chairman), Lim Jit Poh, Ong Ah Heng, Ooi Beng Chin and Sum Wai Fun, Adeline.
- (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.

4 SHARE OPTIONS AND SHARE AWARDS (cont'd)

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

- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and lapsed during the financial year and options outstanding as at 31 December 2019 were as follows:

Date of grant	Number of options to subscribe for ordinary shares			Outstanding at 31 December 2019	Subscription price per share	Expiry date
	Outstanding at 1 January 2019	Exercised	Lapsed			
25 June 2009	120,000	(120,000)	–	–	\$1.273	24 June 2019
2 July 2010	855,000	(105,000)	–	750,000	\$1.467	1 July 2020
23 June 2011	455,000	(135,000)	–	320,000	\$1.373	22 June 2021
20 June 2012	2,359,000	(396,000)	(140,000)	1,823,000	\$1.475	19 June 2022
Total	3,789,000	(756,000)	(140,000)	2,893,000		

- (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 2019 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2019	Aggregate options exercised since the commencement to 31 December 2019	Aggregate options lapsed since the commencement to 31 December 2019	Aggregate options outstanding at 31 December 2019
Lim Jit Poh	2,773,577	2,273,577	500,000	–
Yang Ban Seng	3,561,315	2,901,315	–	660,000
Ong Ah Heng	1,517,540	1,167,540	350,000	–
Sum Wai Fun, Adeline	600,000	600,000	–	–
Wang Kai Yuen	1,998,672	1,873,672	125,000	–

- * 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 2019.

4 SHARE OPTIONS AND SHARE AWARDS (cont'd)

(B) Share awards of the Company

The Company obtained Shareholders' approval at its Annual General Meeting held on 26 April 2018 to implement the ComfortDelGro Executive Share Award Scheme for Executive Directors and Key Executives as part of the long-term incentive programme to attract talent, retain them and reward those who make significant contributions to the Group.

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

On 6 May 2019, the Company granted the first tranche of share awards of 510,000 ordinary shares pursuant to the Executive Share Award Scheme to selected employees of the Group. This included an award of 100,000 ordinary shares to Executive Director, Mr Yang Ban Seng. These are time-based awards to be vested over a 4-year period. No shares have been issued at the end of the Financial Year.

The Board and the Remuneration Committee believe that the Executive Share Award Scheme will help ensure that the Group continues to have a strong leadership team, credible talent pipeline and reinforce the delivery of long-term shareholder value.

(C) Share options of subsidiaries

(a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were no 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 2019	Aggregate options exercised since the commencement to 31 December 2019	Aggregate options lapsed since the commencement to 31 December 2019	Aggregate options outstanding at 31 December 2019
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)
Chiang Chie Foo
Lee Khai Fatt, Kyle
Ong Ah Heng
Tham Ee Mern, Lilian

The Audit and Risk Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50 and the Code of Corporate Governance 2018.

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
14 February 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the Statement of Financial Position of the Group and the Company as at 31 December 2019, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 96 to 188.

In our opinion, the Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Taxi vehicles, taxi licences and goodwill impairment review

The Group reviews taxi licences with indefinite useful lives and goodwill for impairment annually or more frequently when there is an impairment indication. Impairment assessment is also performed for taxi vehicles and taxi licences with finite useful lives when there is an impairment indication. The taxi vehicles, taxi licences and goodwill are disclosed in Notes 13, 15 and 16 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 rates for the relevant countries. For the discount rates, we involved our valuation specialist and compared it to the weighted average cost of capital. We found Management's key assumptions to be reasonable.

Key Audit Matters (cont'd)

Valuation and completeness of provision for accident claims

The valuation and completeness of provisions for settlement of accident claims involves estimation uncertainty (Note 3). Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics report in determining the provision for accident claims as disclosed in Note 23 to the Financial Statements.

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

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

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Cheung Pui Yuen.

DELOITTE & TOUCHE LLP

Public Accountants and
Chartered Accountants
Singapore

14 February 2020

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2019

	Note	The Group		The Company	
		2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
ASSETS					
Current assets					
Short-term deposits and bank balances	4	594.2	586.1	159.7	159.9
Trade receivables	5	318.7	275.4	–	–
Other receivables and prepayments	6	255.5	277.0	15.8	32.3
Inventories	7	150.7	138.7	–	–
Total current assets		1,319.1	1,277.2	175.5	192.2
Non-current assets					
Subsidiaries	8	–	–	1,230.7	1,230.7
Associates	9	0.7	0.9	–	–
Investments	10	24.4	29.6	12.7	19.0
Other receivables and prepayments	6	4.0	6.2	351.1	338.1
Grant receivables	12	280.3	212.8	–	–
Vehicles, premises and equipment	13	2,706.1	2,691.3	3.2	5.1
Right-of-use assets	14	173.6	–	5.3	–
Taxi licences and rights under contract	15	204.5	218.9	–	–
Goodwill	16	644.2	677.5	–	–
Deferred tax assets	17	22.1	22.3	–	–
Total non-current assets		4,059.9	3,859.5	1,603.0	1,592.9
Total assets		5,379.0	5,136.7	1,778.5	1,785.1

See accompanying notes to the Financial Statements.

	Note	The Group		The Company	
		2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	18	198.8	71.1	–	5.8
Lease liabilities from financial institutions	19	28.2	19.3	–	–
Lease liabilities	20	27.6	–	4.0	–
Trade and other payables	21	670.3	691.0	167.9	169.0
Deferred grants	22	27.6	91.4	–	–
Fuel price equalisation account		20.0	20.0	–	–
Provision for accident claims	23	51.6	52.0	–	–
Income tax payable		91.7	64.5	0.9	0.3
Total current liabilities		1,115.8	1,009.3	172.8	175.1
Non-current liabilities					
Borrowings	18	331.3	414.1	331.3	338.0
Lease liabilities from financial institutions	19	75.9	65.4	–	–
Lease liabilities	20	176.1	–	30.5	–
Deferred grants	22	364.9	271.1	–	–
Other liabilities	24	75.9	80.3	0.1	0.1
Fuel price equalisation account		20.0	20.0	–	–
Deferred tax liabilities	17	210.1	249.4	1.3	1.3
Total non-current liabilities		1,254.2	1,100.3	363.2	339.4
Total liabilities		2,370.0	2,109.6	536.0	514.5
Capital, reserves and non-controlling interests					
Share capital	25	692.2	691.1	692.2	691.1
Other reserves	26	64.5	80.9	(38.0)	(32.0)
Foreign currency translation reserve		(93.6)	(81.5)	–	–
Accumulated profits		1,931.9	1,923.1	588.3	611.5
Equity attributable to shareholders of the Company		2,595.0	2,613.6	1,242.5	1,270.6
Non-controlling interests		414.0	413.5	–	–
Total equity		3,009.0	3,027.1	1,242.5	1,270.6
Total liabilities and equity		5,379.0	5,136.7	1,778.5	1,785.1

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 2019

	Note	2019 \$'mil	2018 \$'mil
Revenue	27	3,905.7	3,805.2
Staff costs	28	(1,726.2)	(1,656.1)
Depreciation and amortisation		(453.0)	(393.2)
Fuel and electricity costs		(303.8)	(295.5)
Repairs and maintenance costs		(304.8)	(286.9)
Contract services		(171.3)	(168.3)
Materials and consumables costs		(122.6)	(131.6)
Insurance premiums and accident claims		(94.5)	(96.9)
Road tax and licence fees		(94.5)	(100.6)
Premises costs		(76.0)	(103.3)
Advertising production and promotion costs		(23.4)	(23.5)
Utilities and communication costs		(21.2)	(20.9)
Other operating costs		(98.6)	(89.6)
Total Operating Costs		(3,489.9)	(3,366.4)
Operating Profit		415.8	438.8
Net Income from Investments		12.0	11.9
Finance Costs	29	(21.2)	(11.4)
		406.6	439.3
Profit before Taxation			
Taxation	30	(88.4)	(80.5)
Profit after Taxation	31	318.2	358.8
Attributable to:			
Shareholders of the Company		265.1	303.3
Non-Controlling Interests		53.1	55.5
		318.2	358.8
Earnings per share (in cents):			
Basic	32	12.24	14.01
Diluted	32	12.23	14.00

See accompanying notes to the Financial Statements.

GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$'mil	2018 \$'mil
Profit after Taxation	31	318.2	358.8
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		3.0	(2.7)
Fair value adjustment on bonds		–	(0.2)
Exchange differences on translation of foreign operations		(16.2)	(83.2)
		(13.2)	(86.1)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		(2.1)	(5.4)
Fair value adjustment on equity investments		(7.5)	1.2
		(9.6)	(4.2)
Other comprehensive income for the year		(22.8)	(90.3)
Total comprehensive income for the year		295.4	268.5
Attributable to:			
Shareholders of the Company		245.8	218.2
Non-Controlling Interests		49.6	50.3
		295.4	268.5

See accompanying notes to the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2019

	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 2018	688.2	84.2	(3.1)	1,848.9	2,618.2	419.6	3,037.8
Total comprehensive income for the year:							
Profit for the year	–	–	–	303.3	303.3	55.5	358.8
Other comprehensive income for the year	–	(6.7)	(78.4)	–	(85.1)	(5.2)	(90.3)
Total	–	(6.7)	(78.4)	303.3	218.2	50.3	268.5
Transactions recognised directly in equity:							
Adjustment arising from acquisition of interests in subsidiaries	–	0.3	–	–	0.3	(2.2)	(1.9)
Exercise of share options (Notes 25 and 26)	2.9	(0.3)	–	–	2.6	–	2.6
Payment of dividends (Note 37)	–	–	–	(225.1)	(225.1)	–	(225.1)
Other reserves	–	3.4	–	(4.0)	(0.6)	(54.2)	(54.8)
Total	2.9	3.4	–	(229.1)	(222.8)	(56.4)	(279.2)
Balance at 31 December 2018	691.1	80.9	(81.5)	1,923.1	2,613.6	413.5	3,027.1
Adoption of SFRS(I) 16 (Note 2)	–	–	–	(23.1)	(23.1)	(5.2)	(28.3)
Balance at 1 January 2019	691.1	80.9	(81.5)	1,900.0	2,590.5	408.3	2,998.8
Total comprehensive income for the year:							
Profit for the year	–	–	–	265.1	265.1	53.1	318.2
Other comprehensive income for the year	–	(7.2)	(12.1)	–	(19.3)	(3.5)	(22.8)
Total	–	(7.2)	(12.1)	265.1	245.8	49.6	295.4
Transactions recognised directly in equity:							
Exercise of share options (Notes 25 and 26)	1.1	(0.1)	–	–	1.0	–	1.0
Payment of dividends (Note 37)	–	–	–	(230.7)	(230.7)	–	(230.7)
Other reserves	–	(9.1)	–	(2.5)	(11.6)	(43.9)	(55.5)
Total	1.1	(9.2)	–	(233.2)	(241.3)	(43.9)	(285.2)
Balance at 31 December 2019	692.2	64.5	(93.6)	1,931.9	2,595.0	414.0	3,009.0

See accompanying notes to the Financial Statements.

	The Company			Total equity \$'mil
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	
Balance at 1 January 2018	688.2	(32.4)	587.2	1,243.0
Total comprehensive income for the year:				
Profit for the year	–	–	249.4	249.4
Other comprehensive income for the year	–	0.7	–	0.7
Total	–	0.7	249.4	250.1
Transactions recognised directly in equity:				
Exercise of share options (Notes 25 and 26)	2.9	(0.3)	–	2.6
Payment of dividends (Note 37)	–	–	(225.1)	(225.1)
Total	2.9	(0.3)	(225.1)	(222.5)
Balance at 31 December 2018	691.1	(32.0)	611.5	1,270.6
Adoption of SFRS(I) 16 (Note 2)	–	–	(7.0)	(7.0)
Balance at 1 January 2019	691.1	(32.0)	604.5	1,263.6
Total comprehensive income for the year:				
Profit for the year	–	–	214.5	214.5
Other comprehensive income for the year	–	(6.3)	–	(6.3)
Total	–	(6.3)	214.5	208.2
Transactions recognised directly in equity:				
Exercise of share options (Notes 25 and 26)	1.1	(0.1)	–	1.0
Payment of dividends (Note 37)	–	–	(230.7)	(230.7)
Other reserves	–	0.4	–	0.4
Total	1.1	0.3	(230.7)	(229.3)
Balance at 31 December 2019	692.2	(38.0)	588.3	1,242.5

See accompanying notes to the Financial Statements.

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2019

	2019 \$'mil	2018 \$'mil
Operating activities		
Profit before Taxation	406.6	439.3
Adjustments for:		
Depreciation and amortisation	453.0	393.2
Finance costs	21.2	11.4
Interest income	(10.8)	(10.8)
Dividend income	(1.0)	(1.0)
Grant income	(42.5)	(34.9)
Net gain on disposal of vehicles, premises and equipment	(4.6)	(15.9)
Provision for relocation costs	–	7.1
Provision for accident claims	22.0	14.8
Others	4.9	2.7
Operating cash flows before movements in working capital	848.8	805.9
Inventories	(11.7)	(23.9)
Trade receivables	(41.7)	(5.5)
Other receivables and prepayments	(30.3)	(0.4)
Grant receivables, net of deferred grants	(4.0)	2.2
Trade and other payables	(28.2)	(5.0)
Other liabilities	(4.6)	4.6
Payments of service benefits and long service awards	(0.9)	(1.8)
Payments of accident claims	(22.6)	(25.2)
Changes in working capital	(144.0)	(55.0)
Cash generated from operations	704.8	750.9
Income tax paid	(89.5)	(82.1)
Interest paid arising from leases	(5.4)	–
Net cash from operating activities	609.9	668.8

See accompanying notes to the Financial Statements.

	2019 \$'mil	2018 \$'mil
Investing activities		
Purchases of vehicles, premises and equipment	(506.7)	(352.8)
Less: Vehicles purchased under lease liabilities from financial institutions	40.4	27.8
Less: Proceeds from disposal of vehicles, premises and equipment	119.8	98.9
Cash payments on purchase of vehicles, premises and equipment	(346.5)	(226.1)
Maturity of investments	–	10.4
Payment for taxi licences	–	(15.4)
Acquisition of subsidiaries, net of cash (Note 41)	(28.3)	(418.8)
Interest received	10.3	11.0
Investments made	(3.1)	–
Dividend received from investments	1.0	1.0
Net cash used in investing activities	(366.6)	(637.9)
Financing activities		
Acquisition of non-controlling interests in subsidiaries	–	(1.9)
New loans raised	1,302.3	1,283.0
Repayment of borrowings and lease liabilities from financial institutions	(1,271.0)	(1,067.5)
Repayment of lease liabilities	(27.6)	–
Dividends paid to shareholders of the Company	(230.7)	(225.1)
Dividends paid to non-controlling shareholders of subsidiaries	(43.6)	(54.6)
Proceeds from exercise of share options of the Company	1.0	2.6
Proceeds from exercise of share options of a subsidiary	0.3	1.3
Grants received	55.0	44.2
Interest paid	(15.4)	(11.0)
Net cash used in financing activities	(229.7)	(29.0)
Net effect of exchange rate changes in consolidating subsidiaries	(5.5)	(12.0)
Net increase (decrease) in cash and cash equivalents	8.1	(10.1)
Cash and cash equivalents at beginning of year	586.1	596.2
Cash and cash equivalents at end of year (Note 4)	594.2	586.1

See accompanying notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

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 40.

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

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2019 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2019 were authorised for issue by the Board of Directors on 14 February 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The Financial Statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and SFRS(I)s.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

ADOPTION OF NEW AND REVISED FINANCIAL STANDARDS – On 1 January 2019, the Group and the Company adopted all the new and revised SFRS(I)s pronouncements that are relevant to its operations. The adoption of these new/ revised SFRS(I)s pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

SFRS(I) 16 Leases

SFRS(I) 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, with exemption for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The impact of the adoption of SFRS(I) 16 on the Group's Consolidated Financial Statements is described below.

The date of initial application of SFRS(I) 16 for the Group is 1 January 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group has applied SFRS(I) 16 using the cumulative catch-up approach which:

- Requires the Group to recognise the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings at the date of initial application; and
- Does not permit restatement of comparatives, which continue to be presented under SFRS(I) 1-17 *Leases* and SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*.

Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. SFRS(I) 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on risks and rewards in SFRS(I) 1-17 and SFRS(I) INT 4.

The Group applies the definition of a lease and related guidance set out in SFRS(I) 16 to all lease contracts entered into or modified on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

Impact on lessee accounting

Former operating leases

SFRS(I) 16 changes how the Group accounts for leases previously classified as operating leases under SFRS(I) 1-17, which were off-balance-sheet.

Applying SFRS(I) 16, for all leases, the Group:

- a) Recognises right-of-use assets and lease liabilities in the Statements of Financial Position, initially measured at the present value of future lease payments; with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with SFRS(I) 16 : C8(b)(ii) except for the right-of-use asset for property leases which were measured on a modified retrospective basis as if the Standard had been applied since commencement date;
- b) Recognises depreciation of right-of-use assets and interest on lease liabilities in the Group Income Statement; and
- c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the Group Cash Flow Statement.

Lease incentives (e.g. free rent period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under SFRS(I) 1-17 they resulted in the recognition of a lease incentive liability, amortised as a reduction of rental expense on a straight-line basis.

Under SFRS(I) 16, right-of-use assets are tested for impairment in accordance with SFRS 1-36. This replaces the previous requirement to recognise a provision for onerous lease contracts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying SFRS(I) 1-17.

- No reassessment on whether a contract is or contains a lease if the contract was entered into before 1 January 2019. Accordingly, the definition of a lease in accordance with SFRS(I) 1-17 and SFRS(I) INT 4 will continue to be applied to those leases entered or modified before 1 January 2019.
- The Group accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.
- For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group has opted to recognise a lease expense on a straight-line basis as permitted by SFRS(I) 16. This expense is presented within premises costs and other operating costs in the Group Income Statement.
- The Group has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Impact on lessor accounting

SFRS(I) 16 does not change substantially how a lessor accounts for leases. Under SFRS(I) 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently.

However, SFRS(I) 16 has changed and expanded the disclosures required, in particular regarding how a lessor manages the risks arising from its residual interest in leased assets.

Under SFRS(I) 16, an intermediate lessor accounts for the head lease and the sublease as two separate contracts. The intermediate lessor is required to classify the sublease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under SFRS(I) 1-17).

Because of this change, the Company has reclassified certain of its sublease agreements as finance leases and accounted for them as new finance leases entered into at the date of initial application. Consequently, the lease assets have been derecognised and finance lease receivables have been recognised with the net impact on retained earnings of \$2.4 million recognised on 1 January 2019.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial impact of initial application of SFRS(I) 16

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 2.53%.

The Group determines its incremental borrowing rate based on the quotes from reputable banks in accordance to the type of asset, tenor and country where the assets are situated.

The following table shows the operating lease commitments disclosed applying SFRS(I) 1-17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the Statement of Financial Position at the date of initial application.

	<u>The Group</u>	<u>The Company</u>
	<u>2019</u>	<u>2019</u>
	<u>\$'mil</u>	<u>\$'mil</u>
Operating lease commitments disclosed as at 31 December 2018	129.8	3.1
Less: Short-term leases and leases of low value assets	(1.7)	–
Less: Effect of discounting the above amounts	(21.5)	–
Add: Present value of lease payment due in period covered by extension options that are included in the lease term and not previously included in operating lease commitments	109.7	28.1
Add: Lease liabilities from financial institutions recognised as at 31 December 2018	84.7	–
Lease liabilities from financial institutions and lease liabilities recognised as at 1 January 2019	<u>301.0</u>	<u>31.2</u>

The right-of-use assets for certain property leases were measured on a modified retrospective basis as if the Standard had been applied since the commencement date. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Statement of Financial Position immediately before the date of initial application. Consequently, right-of-use assets of \$188.0 million, net impact on retained earnings of \$23.1 million and non-controlling interests of \$5.2 million relating to the lease liabilities above were recognised on 1 January 2019 for the Group. Right-of-use assets of \$2.8 million, other receivables of \$21.4 million and net impact on retained earnings of \$7.0 million relating to the lease liabilities above were recognised on 1 January 2019 for the Company.

NEW/REVISED STANDARDS AND IMPROVEMENTS TO THE STANDARDS NOT YET ADOPTED – At the date of authorisation of these Financial Statements, the following SFRS(I) pronouncements were issued but not effective and are expected to have an impact to the Group and the Company in the periods of their initial application:

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material*¹
- Amendments to SFRS(I) 3 *Business Combinations: Definition of a Business*¹
- Amendments to References to the Conceptual Framework in SFRS(I) Standards¹

¹ Applies to annual periods beginning on or after 1 January 2020.

Management anticipates that the adoption of the above amendments to SFRS(I) in future periods will not have a material impact on the Financial Statements of the Group in the period of their initial adoption.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

BASIS OF CONSOLIDATION – The Consolidated Financial Statements incorporate the Financial Statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Group Income Statement and Group Comprehensive Income Statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or Loss and each component of Other Comprehensive Income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the Financial Statements of subsidiaries to bring their accounting policies in line with those consistently used by the Group.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Statement of Financial Position of the Company, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

BUSINESS COMBINATIONS – The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group to the former owners of the acquiree in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date except for deferred tax assets or liabilities which are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes*. Acquisition-related costs are recognised in Profit or Loss as incurred.

The interest of the non-controlling shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Profit or Loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through Profit or Loss (FVTPL).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Debt instruments classified as at FVTOCI

Investments in debt instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, any gains or losses on such a financial asset are recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised. When the financial asset is derecognised the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to Profit or Loss for the period.

Interest income is recognised in Profit or Loss and is included in the "Net Income from Investments" line item in Profit or Loss.

Equity instruments designated at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation at FVTOCI is not permitted if the equity instrument is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value including any foreign exchange difference are recognised in Other Comprehensive Income. Such equity investments are not subject to impairment requirements. The amounts recognised in Other Comprehensive Income are not subsequently reclassified to Profit or Loss on disposal of the equity instruments.

Dividends on these investments in equity instruments are recognised in Profit or Loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Net Income from Investments" line item in Profit or Loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the simplified approach permitted by SFRS(I) 9 for trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is reclassified to Profit or Loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is not reclassified to Profit or Loss, but is transferred to Retained Earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Borrowings

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in Profit or Loss over the term of the borrowings.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

Hedging instruments and hedge accounting

The Group uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 36).

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 36(c) contains details of the fair values of the hedging instruments.

Fair value hedge

Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in Profit or Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts recognised in Other Comprehensive Income are taken to Profit or Loss when the hedged item is realised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

LEASES (Before 1 January 2019)

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.

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.

LEASES (From 1 January 2019)

The Group as lessor

The Group enters into lease agreements as a lessor with respect to its properties and motor vehicles.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Amounts due from lessees under finance leases are recognised 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.

When a contract includes lease and non-lease components, the Group applies SFRS(I) 15 to allocate the consideration under the contract to each component.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The lease liability is presented as a separate line in the Statement of Financial Position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Statement of Financial Position.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other operating costs' in the Group Income Statement.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

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.

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

	Number of years
Buses	12 to 25
Leasehold land and buildings	Over the remaining lease period
Freehold buildings	50
Taxis, motor vehicles for rental and ambulances	5 to 8
Computers and automated equipment	3 to 5
Workshop machinery, tools and equipment:	
– General workshop machinery, tools and equipment	3 to 10
– Specialised inspection and testing equipment	20
Motor vehicles	
– Motorcycles	3
– Other motor vehicles	5 to 10
Furniture, fittings and equipment	5 to 7

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

On disposal of an item of vehicles, premises and equipment, the difference between the sales proceeds and its carrying amount is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment still in use are retained in the Financial Statements.

Assets held under 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.

ASSOCIATES – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the Profit or Loss and Other Comprehensive Income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 and rights under contract acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi licences and rights under contract 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 NON-FINANCIAL ASSETS EXCLUDING GOODWILL – At the end of each reporting year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or 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 (or 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 (or 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 on a straight line basis over the useful lives of the assets.
- (ii) Advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

SERVICE BENEFITS – These comprise the following:

- (i) **Retirement benefits** – Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, a retirement benefit subject to a maximum of \$3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service.

Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.

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

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

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

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

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

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

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

- (vi) **Share-Based Payments** – The Company issued share options and share awards to certain employees and Directors. Share options and share awards 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 and share awards is expensed on a straight-line basis over the vesting period with a corresponding adjustment against share options and share awards reserve, based on the Group's and the Company's estimate of the number of equity instruments that will eventually vest.

Fair value for the share option 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. The share options have been fully vested in prior years.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred grant in the Statement of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants in relation to expenses incurred are recognised as other operating income in the period which they become receivable.

REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Public transport services
- Taxi
- Automotive engineering services
- Inspection and testing services
- Others

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer or when services are rendered.

Public transport services

Revenue from public transport services comes from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operations of scheduled services and provision of coach rental services. Revenue from transport regulators for scheduled bus services is recognised as and when services are rendered, including an estimation of the expected consideration on achieving certain performance targets.

Revenue from other third parties for scheduled services, coach rental services and rail services is recognised as and when services are rendered.

Revenue from other commercial services comprises advertising and rental income. Advertising production revenue is recognised when production is completed and advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Rental income is recognised on a straight-line basis over the term of the relevant lease.

Taxi

The Group provides taxi rental and other related services such as subscription and cashless payment to third parties. Revenue is recognised as and when services are rendered.

Automotive engineering services

The Group provides repair and maintenance services to taxi, buses and third parties. Revenue is recognised as and when services are rendered.

For sales of goods such as spare parts, diesel and petrol to third parties, revenue is recognised when control of the goods has been transferred to the customer, at the point where goods are delivered to the customer.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inspection and testing services

The Group provides vehicle inspection services and other testing services. Revenue from vehicle inspection services is recognised upon completion of the inspection services.

Revenue from testing services for aerospace, marine and offshore, biotechnology, oil and petrochemical, building construction and electronics manufacturing industries is recognised upon completion of the final test report.

Others

Others include car rental and leasing, driver training and bus station operation.

Car rental and leasing and driver training revenue are recognised upon completion of the services.

Bus station operation revenue is recognised as and when services are rendered.

BORROWING COSTS – Borrowing costs incurred to finance the purchase of assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

The Group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. As a result, the cumulative foreign currency translation loss was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in Other Comprehensive Income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of a foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE GROUP CASH FLOW STATEMENT – Cash and cash equivalents in the Group Cash Flow Statement comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the Financial Statements (apart from those involving estimations, which are dealt with below).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provisions

(i) Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment trends are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. The provision for accident claims included in Note 23 is \$51.6 million (2018 : \$52.0 million).

(ii) Retirement benefits and long service awards

For certain subsidiaries, retirement benefits subject to a maximum of \$3,000 is payable to a retiring employee on or after attaining the retirement age and on completion of at least five years of service. Provision for retirement benefits is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting year and after taking into account an estimated attrition rate. The estimated attrition rate used is based on Management's best estimate of the respective subsidiaries' attrition rate, based on past experience.

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

The total provision for service benefits and long service awards is disclosed in Note 24(b).

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting year. At 31 December 2019, the retirement benefit assets recognised in the Group's Statement of Financial Position amounted to \$0.4 million (2018: retirement benefit obligation amounted to \$0.2 million) disclosed in Note 24(c) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets and vice versa.

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

Impairment review of taxi vehicles, taxi licences and goodwill

The Group tests goodwill and taxi licences annually for impairment, or more frequently if there are indications that they might be impaired. Impairment assessment is also performed for taxi vehicles and taxi licences with finite 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 13, 15 and 16). The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. A provision for impairment loss on taxi vehicles, taxi licences and goodwill is recognised in Profit or Loss and can be reversed in the subsequent period except for goodwill when the amount of impairment loss decreases.

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

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

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

For the public transport services businesses in Australia and United Kingdom, discount rates of 6.1% (2018 : 6.9%) and 5.9% (2018 : 5.8%), and growth rates of 2.3% (2018 : 2.8%) and 1.4% (2018 : 1.5%) are applied to the forecasts respectively.

For the taxi businesses in China and Singapore, discount rates of 8.5% (2018 : 8.8%) and 7.5% (2018 : 8.5%), and growth rates of Nil% to 2.0% (2018 : Nil% to 2.0%) and Nil% (2018 : Nil%) are applied to the forecasts respectively.

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

Useful lives of vehicles, premises and equipment

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

Goodwill arising from acquisition of businesses

Goodwill arising from acquisition of subsidiaries during the year was determined using a purchase price allocation exercise to determine the fair value of the acquired assets and liabilities. Management exercised significant judgement in determining the fair value of the acquired assets and liabilities including any intangibles.

4 SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Cash and bank balances	13.2	14.5	–	–
Interest bearing bank balances	117.7	140.2	0.4	1.1
Fixed deposits	463.3	431.4	159.3	158.8
Total	594.2	586.1	159.7	159.9

Interest bearing bank balances bear effective interest rates ranging from 0% to 1.1% (2018 : 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 0.1% to 6.8% (2018 : 0.2% to 6.8%) 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	
	2019 \$'mil	2018 \$'mil
Outside parties	325.3	279.6
Allowance for expected credit losses	(6.6)	(4.2)
Net	318.7	275.4

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2018 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

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

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

Movements in allowance for expected credit losses:

	The Group	
	2019 \$'mil	2018 \$'mil
Balance at beginning of the year	4.2	4.4
Amounts written off during the year	(0.6)	(0.8)
Increase in allowance recognised in Profit or Loss	3.0	0.6
Balance at end of the year	6.6	4.2

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6 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Prepayments	74.4	62.0	0.6	0.4
Other receivables due from transport regulators	58.1	46.3	–	–
Grant receivables (Note 12)	41.6	99.1	–	–
Security deposits	10.4	8.8	–	–
Interest receivable	3.5	3.1	1.3	0.2
Downpayments for the purchase of vehicles, premises and equipment	3.4	6.0	–	–
Retirement benefits assets (Note 24(c))	0.4	–	–	–
Due from subsidiaries	–	–	341.5	369.0
Lease receivables (Note 11)	–	–	22.5	–
Others	67.7	57.9	1.0	0.8
Total	259.5	283.2	366.9	370.4

Analysed as:

Current	255.5	277.0	15.8	32.3
Non-current	4.0	6.2	351.1	338.1
Total	259.5	283.2	366.9	370.4

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

Included in the amount of \$341.5 million (2018 : \$369.0 million) due from subsidiaries, \$336.4 million (2018 : \$366.0 million) relates to loans which bear variable interest rates ranging from 1.22% to 1.77% (2018 : 1.83% to 2.34%) per annum and are unsecured. The remaining balance of \$5.1 million (2018 : \$3.0 million) is unsecured and interest-free.

7 INVENTORIES

	The Group	
	2019 \$'mil	2018 \$'mil
Goods held for sale	7.3	9.8
Consumables, materials and supplies	142.5	127.4
Work in progress	0.9	1.5
Total	150.7	138.7

8 SUBSIDIARIES

	The Company	
	2019 \$'mil	2018 \$'mil
Quoted equity shares, at cost	93.6	93.6
Unquoted equity shares, at cost	1,137.1	1,137.1
	1,230.7	1,230.7
Market value of quoted equity shares	1,348.5	983.4

8 SUBSIDIARIES (cont'd)

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	
		2019	2018
Investment holding	Singapore	6	5
Investment holding	United Kingdom	2	2
Investment holding	Australia	9	9
Bus	Singapore	1	1
Bus	United Kingdom	4	4
Bus	Ireland	1	1
Bus	Australia	27	24
Rail	United Kingdom	1	1
Advertising	Singapore	1	1
Advertising	Australia	1	1
Automotive engineering services	Singapore	1	1
Automotive engineering services	Australia	1	1
Driving centre	China	1	2
Taxi	Singapore	1	1
Taxi	Australia	3	2
Taxi	China	3	3
Taxi	United Kingdom	5	9
Car rental and leasing	Singapore	1	1
Car rental and leasing	China	1	1
Car rental and leasing	Malaysia	1	1
Insurance brokers	Singapore	1	1
Non-emergency transport services	Australia	7	7
Technology Services	Singapore	2	–

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries	
		2019	2018
Bus and rail	Singapore	1	1
Bus	United Kingdom	2	2
Rail	Singapore	1	1
Bus station	China	1	1
Driving centre	Singapore	1	1
Driving centre	China	2	2
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	Vietnam	1	2

Details of subsidiaries are included in Note 40(a).

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9 ASSOCIATES

	The Group	
	2019 \$'mil	2018 \$'mil
Unquoted equity shares	0.6	0.6
Add: Share of post-acquisition reserves	0.1	0.3
Total	0.7	0.9

(a) Details of significant associates are included in Note 40(b).

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

	The Group	
	2019 \$'mil	2018 \$'mil
Total assets	1.0	1.1
Total liabilities	(0.8)	(0.6)
Net assets	0.2	0.5
Group's share of associates' net assets	0.1	0.3
Revenue	2.8	3.0
(Loss)/Profit for the year	(0.3)	0.1
Group's share of associates' (loss)/profit	(0.2)	0.1

10 INVESTMENTS

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Financial assets at fair value through Other Comprehensive Income:				
– Equity shares in corporations	24.4	29.6	12.7	19.0
Analysed as:				
– Non-current	24.4	29.6	12.7	19.0

The equity shares in corporations represent investment for long-term strategic purpose. Dividends received during the year amounted to \$1.0 million (2018 : \$1.0 million).

11 LEASE RECEIVABLES

	<u>The Company</u>
	2019
	\$'mil
Amounts Receivable under finance lease	
Within one year	3.4
Within the second to fifth year inclusive	14.6
After five years	6.6
Undiscounted lease payments	24.6
Less: Unearned finance income	(2.1)
Present value of lease payments receivable (Note 6)	22.5
Undiscounted lease payments analysed as:	
– Recoverable within 12 months	3.4
– Recoverable after 12 months	21.2
	24.6
Net investment in the lease analysed as:	
– Recoverable within 12 months	2.8
– Recoverable after 12 months	19.7
	22.5

The Company's lease arrangements do not include variable payments.

The average effective interest rate contracted is approximately 2.58% per annum.

Lease receivable balances are secured over the property leased. The Company is not permitted to sell or repledge the collateral in the absence of default by the lessee. The unguaranteed residual value of assets leased is insignificant.

12 GRANT RECEIVABLES

	<u>The Group</u>	
	2019	2018
	\$'mil	\$'mil
Grant receivables	321.9	311.9
Analysed as:		
– Current (Note 6)	41.6	99.1
– Non-current	280.3	212.8
Total	321.9	311.9

Included in the grant receivables are \$321.9 million (2018 : \$311.9 million) which are unsecured, bear effective interest at rates ranging from 3.83% to 8.31% (2018 : 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.

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13 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 2018	2,280.7	63.8	372.1	199.5
Arising from acquisition of subsidiaries	127.5	–	5.5	27.1
Additions	134.9	0.1	30.6	28.1
Disposals	(68.1)	–	(27.6)	–
Reclassifications/Transfers from capital projects in progress	0.4	–	2.8	–
Exchange differences	(75.0)	–	(2.8)	(15.4)
At 31 December 2018	2,400.4	63.9	380.6	239.3
Arising from acquisition of subsidiaries	5.7	–	2.7	–
Adjustment to prior year's provisional goodwill	10.4	–	(0.7)	12.8
Additions	168.1	0.3	5.7	12.4
Disposals	(41.2)	–	(0.3)	(1.3)
Reclassifications/Transfers from capital projects in progress	4.0	–	0.6	0.3
Exchange differences	(2.9)	–	(1.0)	(2.2)
At 31 December 2019	2,544.5	64.2	387.6	261.3
Accumulated depreciation and impairment:				
At 1 January 2018	929.5	6.2	252.6	17.9
Arising from acquisition of subsidiaries	14.2	–	0.9	0.1
Depreciation	152.3	4.7	12.2	2.5
Reversal of impairment loss	–	–	–	–
Disposal	(62.1)	–	(16.4)	–
Exchange differences	(30.7)	–	(1.5)	(0.9)
At 31 December 2018	1,003.2	10.9	247.8	19.6
Adjustment to prior year's provisional goodwill	–	–	(0.7)	–
Depreciation	164.3	4.8	12.8	3.0
Impairment loss	–	–	–	–
Disposal	(39.6)	–	(0.1)	(1.0)
Reclassification	–	–	(0.1)	–
Exchange differences	(1.2)	–	(0.7)	0.2
At 31 December 2019	1,126.7	15.7	259.0	21.8
Carrying amount:				
At 31 December 2019	1,417.8	48.5	128.6	239.5
At 31 December 2018	1,397.2	53.0	132.8	219.7

* A leasehold land and building at a bus depot is stated at revalued amount being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done by a subsidiary pursuant to the agreement in the Negotiated Contract under the Bus Contracting Model (Note 39) in Singapore. As at 31 December 2019, the carrying amount of the leasehold land and building would have been \$18.1 million (2018 : \$19.7 million), had the depot been carried at cost less accumulated depreciation.

Taxis, motor vehicles for rental and ambulances \$'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
1,564.8	225.7	191.9	34.1	44.1	11.8	4,988.5
0.3	0.4	5.5	12.2	0.8	–	179.3
92.0	8.9	16.7	6.0	3.6	31.9	352.8
(166.3)	(50.6)	(37.7)	(4.2)	(1.4)	(2.0)	(357.9)
23.2	1.8	3.7	–	0.4	(32.3)	–
(5.7)	(3.2)	(3.8)	(0.8)	(0.5)	(0.1)	(107.3)
1,508.3	183.0	176.3	47.3	47.0	9.3	5,055.4
–	0.1	0.7	0.4	0.2	–	9.8
–	–	(1.1)	(0.1)	(0.1)	–	21.2
250.0	10.9	15.2	9.7	3.8	30.6	506.7
(457.3)	(14.1)	(1.7)	(6.8)	(0.5)	(0.2)	(523.4)
24.5	5.4	0.9	(11.1)	0.1	(24.7)	–
(5.1)	1.0	(0.2)	(0.3)	(0.2)	–	(10.9)
1,320.4	186.3	190.1	39.1	50.3	15.0	5,058.8
698.3	178.6	128.5	20.1	34.2	–	2,265.9
0.1	0.4	2.9	4.7	0.1	–	23.4
185.7	14.9	13.5	4.5	2.7	–	393.0
(1.1)	–	–	–	–	–	(1.1)
(132.9)	(50.1)	(10.1)	(2.9)	(0.4)	–	(274.9)
(3.2)	(2.6)	(2.5)	(0.4)	(0.4)	–	(42.2)
746.9	141.2	132.3	26.0	36.2	–	2,364.1
–	–	(1.1)	(0.1)	(0.1)	–	(2.0)
172.9	13.7	14.2	4.3	2.9	–	392.9
9.9	–	–	–	–	–	9.9
(348.4)	(12.0)	(1.4)	(5.2)	(0.5)	–	(408.2)
5.3	–	–	(5.2)	–	–	–
(2.9)	0.7	–	0.1	(0.2)	–	(4.0)
583.7	143.6	144.0	19.9	38.3	–	2,352.7
736.7	42.7	46.1	19.2	12.0	15.0	2,706.1
761.4	41.8	44.0	21.3	10.8	9.3	2,691.3

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13 VEHICLES, PREMISES AND EQUIPMENT (cont'd)

Buses of the Group with total carrying amounts of \$121.3 million (2018 : \$87.8 million) and \$66.9 million (2018 : \$72.9 million) are acquired under lease arrangements from financial institutions as disclosed in Note 19 and secured for bank loans respectively as disclosed in Note 18.

Of the carrying amount of taxis, motor vehicles for rental and ambulances of \$736.7 million (2018 : \$761.4 million), \$634.3 million (2018 : \$674.0 million) relates to taxis. The remaining balance of \$102.4 million (2018 : \$87.4 million) relates to motor vehicles for rental and ambulances. During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a provision of impairment of \$9.9 million (reversal for impairment in 2018 : \$1.1 million) that had been recognised in Profit or Loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold building \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
The Company						
Cost:						
At 1 January 2018	60.8	4.5	0.7	8.8	–	74.8
Additions	–	0.6	–	0.1	0.2	0.9
Disposals	(7.6)	(1.0)	–	–	–	(8.6)
At 31 December 2018	53.2	4.1	0.7	8.9	0.2	67.1
Additions	–	0.5	–	–	0.1	0.6
Disposals	–	–	(0.4)	–	–	(0.4)
Transfers from Capital Projects in progress	–	0.2	–	–	(0.2)	–
At 31 December 2019	53.2	4.8	0.3	8.9	0.1	67.3
Accumulated depreciation:						
At 1 January 2018	56.4	3.8	0.2	7.5	–	67.9
Depreciation	1.9	0.4	0.2	0.2	–	2.7
Disposals	(7.6)	(1.0)	–	–	–	(8.6)
At 31 December 2018	50.7	3.2	0.4	7.7	–	62.0
Depreciation	1.7	0.5	–	0.2	–	2.4
Disposals	–	–	(0.3)	–	–	(0.3)
At 31 December 2019	52.4	3.7	0.1	7.9	–	64.1
Carrying amount:						
At 31 December 2019	0.8	1.1	0.2	1.0	0.1	3.2
At 31 December 2018	2.5	0.9	0.3	1.2	0.2	5.1

14 RIGHT-OF-USE ASSETS

The Group and Company leases buses, land, buildings and advertising space on buses. The average lease term is ranging from 2 to 40 years, where the Group and Company make periodic lease payments, which are used for its day to day operations.

The Group has options to purchase certain equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	Buses \$'mil	Leasehold land and buildings \$'mil	Advertising space on buses \$'mil	Total \$'mil
The Group				
Cost:				
At 1 January 2019	4.2	260.2	5.3	269.7
Arising from acquisition of subsidiaries	–	3.2	–	3.2
Additions	–	11.9	–	11.9
Exchange differences	–	0.1	–	0.1
At 31 December 2019	4.2	275.4	5.3	284.9
Accumulated depreciation:				
At 1 January 2019	–	79.2	2.5	81.7
Depreciation	2.2	26.3	1.0	29.5
Exchange differences	–	0.1	–	0.1
At 31 December 2019	2.2	105.6	3.5	111.3
Carrying amount:				
At 31 December 2019	2.0	169.8	1.8	173.6

		Leasehold building \$'mil	Total \$'mil
The Company			
Cost:			
At 1 January 2019		11.6	11.6
Additions		2.8	2.8
At 31 December 2019		14.4	14.4
Accumulated depreciation:			
At 1 January 2019		8.8	8.8
Depreciation		0.3	0.3
At 31 December 2019		9.1	9.1
Carrying amount:			
At 31 December 2019		5.3	5.3

In addition, the Group and Company have also secured the right-of-use of certain leasehold land and buildings with no future payments required. These leasehold land and buildings, amounting to \$124.5 million and \$0.8 million (2018 : \$130.7 million and \$2.5 million) for the Group and Company respectively, are presented within vehicles, premises and equipment (Note 13).

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15 TAXI LICENCES AND RIGHTS UNDER CONTRACT

	The Group	
	2019 \$'mil	2018 \$'mil
Cost:		
At beginning of year	272.2	266.0
Arising from acquisition of subsidiaries	4.4	–
Adjustment to prior year's provisional goodwill	6.2	–
Additions	–	15.4
Exchange differences	(7.4)	(9.2)
At end of year	275.4	272.2
Accumulated amortisation and impairment:		
At beginning of year	53.3	54.1
Amortisation	3.3	1.3
Impairment loss	17.4	–
Exchange differences	(3.1)	(2.1)
At end of year	70.9	53.3
Carrying amount:		
At end of year	204.5	218.9
At beginning of year	218.9	211.9

Of the carrying amount of \$204.5 million (2018 : \$218.9 million) is \$185.2 million (2018 : \$196.1 million) of taxi licences in China and \$8.1 million (2018 : \$8.0 million) of rights under contract in the United Kingdom with indefinite lives.

The remaining balance of \$11.2 million (2018 : \$14.8 million) mainly relates to \$7.6 million (2018 : \$Nil) of rights under contract in Australia and \$2.6 million (2018 : \$14.8 million) of taxi licences in China with finite useful lives over which the assets are amortised. The useful lives of taxi licences and rights under contract are ranging from 2 to 14 years.

16 GOODWILL

	The Group	
	2019 \$'mil	2018 \$'mil
Cost:		
At beginning of year	677.5	428.3
Arising from acquisition of subsidiaries* (Note 41)	18.3	281.6
Adjustment to prior year's provisional goodwill (Note 41)	(30.6)	–
Reclassification	(12.7)	–
Exchange differences	(8.3)	(32.4)
At end of year	644.2	677.5

* Includes provisional goodwill of \$18.3 million (2018 : \$257.6 million).

16 GOODWILL (cont'd)

Goodwill acquired in a business combination is allocated at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

The carrying amount of goodwill of \$644.2 million (2018 : \$677.5 million) is allocated to the respective CGUs:

	The Group	
	2019 \$'mil	2018 \$'mil
Cash-generating units ("CGUs"):		
Public Transport Services		
Australia	473.9	496.4
United Kingdom	106.5	104.7
Singapore	9.4	10.2
Taxi		
Singapore	14.7	14.7
Australia	18.8	30.6
China	2.9	2.9
United Kingdom	1.6	1.6
Vietnam	0.9	0.9
Others	15.5	15.5
Total	644.2	677.5

17 DEFERRED TAX ASSETS/LIABILITIES

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Deferred tax assets	22.1	22.3	–	–
Deferred tax liabilities	(210.1)	(249.4)	(1.3)	(1.3)
Net	(188.0)	(227.1)	(1.3)	(1.3)
At beginning of year	(227.1)	(235.2)	(1.3)	(1.3)
Arising from acquisition of subsidiaries	(0.8)	(7.2)	–	–
Adjustment to prior year's provisional goodwill	10.1	–	–	–
Credit to Profit or Loss (Note 30)	36.1	16.9	–	–
Utilisation of deferred tax assets under Group Relief Scheme	(7.5)	(8.6)	–	–
(Under)/overprovision in prior years (Note 30)	(1.2)	1.9	–	–
Arising from movement in Other				
Comprehensive Income Statement	1.9	0.4	–	–
Exchange differences	0.5	4.7	–	–
At end of year	(188.0)	(227.1)	(1.3)	(1.3)

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17 DEFERRED TAX ASSETS/LIABILITIES (cont'd)

The balances in the accounts comprise the tax effects of:

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Deferred tax assets				
Excess of book over tax depreciation	1.6	1.2	–	–
Provisions	0.4	0.5	–	–
Tax losses	20.1	20.6	–	–
	22.1	22.3	–	–
Deferred tax liabilities				
Accelerated tax depreciation	(257.9)	(279.7)	(1.8)	(1.8)
Other items	47.8	30.3	0.5	0.5
	(210.1)	(249.4)	(1.3)	(1.3)

18 BORROWINGS

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Borrowings comprise of the following:				
(a) Short-term loans	123.8	54.4	–	5.8
(b) Long-term loans	406.3	430.8	331.3	338.0
Total	530.1	485.2	331.3	343.8
Analysed as:				
Current	198.8	71.1	–	5.8
Non-current	331.3	414.1	331.3	338.0
Total	530.1	485.2	331.3	343.8

(a) Short-term loans

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Bank loans				
– unsecured	74.0	14.1	–	5.8
– secured	49.8	40.3	–	–
Total	123.8	54.4	–	5.8

The unsecured bank loans of \$74.0 million (2018 : \$14.1 million) are for a tenure ranging from 2 to 4 months (2018 : 3 to 6 months) and bear floating interest rates ranging from 1.60% to 1.85% (2018 : 1.87% to 2.35%) per annum. The secured bank loans of \$49.8 million (2018 : \$40.3 million) are secured on buses (see Note 13), for a tenure ranging from 1 to 6 months and bear floating interest rates ranging from 1.71% to 2.20% (2018 : 2.67% to 2.94%) per annum.

18 BORROWINGS (cont'd)

(b) Long-term loans

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Bank loans – secured	–	17.8	–	–
Bank loans – unsecured	406.3	413.0	331.3	338.0
Total	406.3	430.8	331.3	338.0
Less: Amount due for settlement within 12 months (shown as Current liabilities):				
Bank loans – secured	–	(16.7)	–	–
Bank loans – unsecured	(75.0)	–	–	–
Total	(75.0)	(16.7)	–	–
Amount due for settlement after 12 months	331.3	414.1	331.3	338.0
The borrowings are repayable as follows:				
On demand or within one year	75.0	16.7	–	–
In the second year	331.3	414.1	331.3	338.0
Total	406.3	430.8	331.3	338.0

- (i) In 2019, there were no secured bank loans. In 2018, the \$17.8 million secured bank loans are secured on buses (see Note 13) and bore floating interest at rates ranging from 3.40% to 4.00% per annum.
- (ii) The \$75.0 million (2018 : \$75.0 million) unsecured bank loan bears fixed interest at 1.91% (2018 : 1.91%) per annum and the remaining \$331.3 million (2018 : \$338.0 million) bears floating interest rates ranging from 1.22% to 1.41% (2018 : 2.27% to 2.39%) per annum.
- (iii) The fair values of the Group's long-term loans approximate their carrying amount.

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18 BORROWINGS (cont'd)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group Cash Flow Statement as cash flows from financing activities.

	31 December 2018	Adoption of SFRS(I) 16	1 January 2019	Financing cash flows (i)	Non-cash changes		31 December 2019
					Exchange differences	New leases	
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Loans	485.2	–	485.2	52.8	(7.9)	–	530.1
Lease liabilities from financial institutions	84.7	–	84.7	(21.5)	0.5	40.4	104.1
Lease liabilities	–	216.3	216.3	(27.6)	(0.1)	15.1	203.7
Total	569.9	216.3	786.2	3.7	(7.5)	55.5	837.9

	1 January 2018	Financing cash flows (i)	Acquisition of subsidiaries	Non-cash changes		31 December 2018
				Exchange differences	New leases	
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Loans	242.9	244.7	1.6	(4.0)	–	485.2
Lease liabilities from financial institutions	79.4	(29.2)	12.2	(5.5)	27.8	84.7
Total	322.3	215.5	13.8	(9.5)	27.8	569.9

(i) The cash flows make up the net amount of new loans raised and repayment of borrowings in the Group Cash Flow Statement.

19. LEASE LIABILITIES FROM FINANCIAL INSTITUTIONS

	The Group	
	2019 \$'mil	2018 \$'mil
Maturity Analysis:		
Within one year	31.4	22.7
Within the second to fifth year inclusive	79.1	71.1
After five years	0.8	–
	111.3	93.8
Less: Future finance charges	(7.2)	(9.1)
	104.1	84.7
Analysed as:		
– Current	28.2	19.3
– Non current	75.9	65.4
	104.1	84.7

The Group's policy is to lease certain of its buses from financial institutions. The lease terms range from 5 to 15 years (2018 : 5 to 15 years). The effective borrowing rates vary from 1.48% to 8.44% (2018 : 1.85% to 8.44%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

The Group's obligations under these leases are secured by the lessors' title to the leased assets (see Note 13).

20. LEASE LIABILITIES

	The Group	The Company
	2019 \$' mil	2019 \$' mil
Maturity Analysis:		
Within one year	33.9	4.8
Within the second to fifth year inclusive	112.7	22.2
After five years	91.5	10.7
	238.1	37.7
Less: Future finance charges	(34.4)	(3.2)
	203.7	34.5
Analysed as:		
– Current	27.6	4.0
– Non current	176.1	30.5
	203.7	34.5

The above represents leases for certain buses, land, buildings and advertising space on buses of the Group. The weighted average incremental borrowing rate was 2.53%.

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21 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Outside parties	236.8	234.9	0.8	7.0
Accruals	353.5	384.3	13.0	11.4
Deposits received – current (Note 24(a))	59.9	50.7	0.1	0.1
Deferred income from customers	16.1	16.4	–	–
Due to subsidiaries	–	–	154.0	150.5
Others	4.0	4.7	–	–
Total	670.3	691.0	167.9	169.0

The credit period on purchases of goods and services ranges from 7 days to 120 days (2018 : 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 \$154.0 million (2018 : \$150.5 million) due to subsidiaries, \$133.2 million (2018 : \$135.7 million) represents funds under central pooling which bear variable interest at rates ranging from 1.51% to 1.88% (2018 : 1.10% to 2.31%) per annum, unsecured and repayable on demand. The remaining balance of \$20.8 million (2018 : \$14.8 million) is interest-free, unsecured and repayable on demand.

22 DEFERRED GRANTS

	The Group	
	2019 \$'mil	2018 \$'mil
Deferred grants	392.5	362.5
Analysed as:		
Current	27.6	91.4
Non-current	364.9	271.1
Total	392.5	362.5

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.

23 PROVISION FOR ACCIDENT CLAIMS

	The Group	
	2019 \$'mil	2018 \$'mil
At beginning of year	52.0	62.2
Charges	22.0	14.8
Arising from acquisitions of subsidiaries	–	0.7
Payments	(22.6)	(25.2)
Exchange differences	0.2	(0.5)
At end of year	51.6	52.0

The provision for accident claims represent the estimated amount which certain subsidiaries will have to pay to outside parties for accident claims involving the Group's vehicles (Note 3).

24 OTHER LIABILITIES

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Other liabilities comprised:				
(a) Deposits received	59.1	64.5	–	–
(b) Provision for service benefits and long service awards	16.8	15.6	0.1	0.1
(c) Retirement benefits obligations	–	0.2	–	–
Total	75.9	80.3	0.1	0.1

(a) Deposits received

	The Group	
	2019 \$'mil	2018 \$'mil
Deposits received from taxi hirers	119.0	115.2
Less: Due within 12 months (Note 21)	(59.9)	(50.7)
Due after 12 months	59.1	64.5

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

(b) Provision for service benefits and long service awards

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
At beginning of year	15.6	15.2	0.1	0.1
Charges	2.1	2.2	–	–
Payments	(0.9)	(1.8)	–	–
At end of year	16.8	15.6	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	
	2019 \$'mil	2018 \$'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	153.4	144.7
Fair value of plan assets at end of year	(153.8)	(144.5)
Net liability recognised in other liabilities (non-current) at end of year	–	0.2
Net asset recognised in other receivables (non-current) at end of year (Note 6)	(0.4)	–

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25 SHARE CAPITAL

	The Group and The Company			
	2019	2018	2019	2018
	Number of ordinary shares		\$'mil	\$'mil
	(million)			
Issued and paid-up:				
At beginning of year	2,165.4	2,163.6	691.1	688.2
Exercise of share options	0.8	1.8	1.1	2.9
At end of year	2,166.2	2,165.4	692.2	691.1

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 28(c).

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

26 OTHER RESERVES

	The Group		The Company	
	2019	2018	2019	2018
	\$'mil	\$'mil	\$'mil	\$'mil
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Statutory reserve:				
At beginning of year	35.3	32.0	–	–
Transfer from accumulated profits	2.2	3.3	–	–
At end of year	37.5	35.3	–	–
Retirement benefit reserve:				
At beginning of year	(39.4)	(34.0)	–	–
Actuarial adjustment on defined benefit plans	(2.1)	(5.4)	–	–
At end of year	(41.5)	(39.4)	–	–
Investment revaluation reserve:				
At beginning of year	(59.4)	(60.4)	(63.8)	(64.5)
Reclassification	(11.8)	–	–	–
Fair value (loss) gain on investments	(7.5)	1.0	(6.3)	0.7
At end of year	(78.7)	(59.4)	(70.1)	(63.8)
Hedging reserve:				
At beginning of year	(2.3)	–	–	–
Fair value gain (loss) on cash flow hedges	2.4	(2.3)	–	–
At end of year	0.1	(2.3)	–	–
Others:				
At beginning of year	115.3	115.2	0.4	0.7
Exercise of share options	(0.1)	(0.3)	(0.1)	(0.3)
Recognition of share based payments	0.4	–	0.4	–
Adjustment arising from acquisition interests in subsidiaries	–	0.3	–	–
Others	0.1	0.1	–	–
At end of year	115.7	115.3	0.7	0.4
Net	64.5	80.9	(38.0)	(32.0)

26 OTHER RESERVES (cont'd)

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.

The investment revaluation reserve will not be reclassified subsequently to Profit or Loss upon disposal of investments.

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

27 REVENUE

Revenue comprises the following amounts:

	The Group	
	2019 \$'mil	2018 \$'mil
Public transport services	2,879.2	2,711.0
Taxi	668.6	726.5
Automotive engineering services	159.1	166.1
Inspection and testing services	100.9	107.5
Others	97.9	94.1
	<u>3,905.7</u>	<u>3,805.2</u>

Majority of the contracts relates to provision of public transport services to the transport regulators in Singapore, Australia and the United Kingdom for periods ranging from 2 years to 8 years.

The Group has the right to consideration from customers in amounts that corresponds directly with the performance of the services completed.

28 STAFF COSTS

- (a) The remuneration of the Directors (executive and non-executive) and key executives comprises mainly of short-term benefits amounting to \$6.3 million (2018 : \$7.6 million).

	The Group	
	2019 \$'mil	2018 \$'mil
(b) <u>Cost of defined contribution plan (included in staff costs)</u>	<u>155.6</u>	<u>151.1</u>

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.

28 STAFF COSTS (cont'd)

(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

	2019		2018	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	3,789,000	1.45	6,174,000	1.47
Lapsed during the year	(140,000)	1.48	(600,000)	1.42
Exercised during the year	(756,000)	1.42	(1,785,000)	1.51
Outstanding at the end of the year	2,893,000	1.46	3,789,000	1.45
Exercisable at the end of the year	2,893,000	1.46	3,789,000	1.45

The weighted average share price at the date of share options being exercised during the year was \$2.57 (2018 : \$2.29). The options outstanding at the end of the year have an average remaining contractual life of 1.8 years (2018 : 2.8 years).

28 STAFF COSTS (cont'd)

(c) Share-based payments (included in staff costs) (cont'd)

(ii) SBS Transit Ltd

	2019		2018	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	232,500	1.58	1,040,000	1.91
Lapsed during the year	(37,500)	1.58	(222,500)	1.78
Exercised during the year	(195,000)	1.58	(585,000)	2.10
Outstanding at the end of the year	–	–	232,500	1.58
Exercisable at the end of the year	–	–	232,500	1.58

The weighted average share price at the date of share options being exercised during the year was \$3.20 (2018 : \$2.60). There are no outstanding options at end of the year.

Share awards scheme

On 6 May 2019, the Company granted the first tranche of share awards of 510,000 ordinary shares pursuant to the Executive Share Award Scheme to selected employees of the Group. This included an award of 100,000 ordinary shares to Executive Director, Mr Yang Ban Seng. These are time-based awards to be vested over a 4-year period. No shares have been issued at the end of the Financial Year.

29 FINANCE COSTS

	The Group	
	2019 \$'mil	2018 \$'mil
Interest expense on:		
Loans	11.8	7.1
Lease liabilities from financial institutions	4.0	4.3
Lease liabilities	5.4	–
Total	21.2	11.4

NOTES TO THE FINANCIAL STATEMENTS

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30 TAXATION

	The Group	
	2019 \$'mil	2018 \$'mil
Taxation charge (credit) comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	123.6	102.9
Deferred taxation relating to the origination and reversal of temporary differences (Note 17)	(36.1)	(16.9)
	87.5	86.0
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(0.3)	(3.6)
Deferred taxation (Note 17)	1.2	(1.9)
	88.4	80.5

Domestic income tax is calculated at 17% (2018 : 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	
	2019 \$'mil	2018 \$'mil
Profit before Taxation	406.6	439.3
Income tax expense calculated at 17% (2018 : 17%)	69.1	74.7
Effect of items that are not taxable in determining taxable profit	6.1	(1.2)
Effect of different tax rates of subsidiaries operating in other jurisdictions	12.3	11.5
Tax rebates	–	(0.1)
Utilisation of deferred tax benefits previously not recognized	(0.2)	(0.1)
Under/(over)provision in prior years	0.9	(5.5)
Other items	0.2	1.2
	88.4	80.5

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$5.2 million (2018 : \$4.7 million) and the resultant deferred tax benefits of \$1.2 million (2018 : \$1.2 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 will be recognised if future profit streams of these subsidiaries is unpredictable.

31 PROFIT AFTER TAXATION

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

	The Group	
	2019 \$'mil	2018 \$'mil
Amortisation of taxi licences and rights under contract	3.3	1.3
Depreciation expense from vehicles, premises and equipment and right-of-use assets	422.4	393.0
Provision/(Reversal of) for impairment on vehicles and taxi licences (included in Depreciation and amortisation)	27.3	(1.1)
Net gain on disposal of vehicles, premises and equipment	(4.6)	(15.9)
Directors' fees	1.4	1.4
Audit fees:		
Auditors of the Company	0.5	0.5
Auditors of subsidiaries	1.1	0.9
Non-audit fees:		
Auditors of the Company	0.2	0.2
Auditors of subsidiaries	0.3	0.1

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

32 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:

	2019	2018
Net profit attributable to shareholders of the Company (\$'mil)	265.1	303.3
Weighted average number of ordinary shares in issue (million)	2,165.9	2,164.6
Basic earnings per share (in cents)	12.24	14.01

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.

	2019	2018
Net profit attributable to shareholders of the Company (\$'mil)	265.1	303.3
Weighted average number of ordinary shares in issue (million)	2,165.9	2,164.6
Adjustments for share options (million)	1.2	1.3
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,167.1	2,165.9
Diluted earnings per share (in cents)	12.23	14.00

33 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 and petrol.
- 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 and rights under contract, goodwill, vehicles, premises and equipment, right-of-use assets, 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, borrowings, lease liabilities from financial institutions and lease liabilities.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are based on prices as determined between the parties. These transfers are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

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33 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
2019									
REVENUE									
External sales	2,879.2	668.6	159.1	100.9	48.1	28.0	21.8	–	3,905.7
Inter-segment sales	1.2	–	87.2	2.9	0.1	–	–	(91.4)	–
TOTAL	2,880.4	668.6	246.3	103.8	48.2	28.0	21.8	(91.4)	3,905.7
RESULT									
Operating Profit	224.3	104.2	27.8	30.6	14.6	4.3	10.0	–	415.8
Net Income from Investments									12.0
Finance Costs									(21.2)
Profit before Taxation									406.6
Taxation									(88.4)
Profit after Taxation									318.2
Non-Controlling Interests									(53.1)
Profit Attributable to Shareholders of the Company									265.1
OTHER INFORMATION									
Additions to vehicles, premises and equipment	220.5	238.8	0.4	5.4	12.3	28.9	0.4	–	506.7
Additions to goodwill	18.3	–	–	–	–	–	–	–	18.3
Depreciation expense	216.0	173.9	3.5	7.3	4.2	15.2	2.3	–	422.4
Amortisation expense	2.1	1.1	–	0.1	–	–	–	–	3.3
Provision for impairment loss recognised in Income Statement	–	27.3	–	–	–	–	–	–	27.3
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Segment assets	2,783.9	1,015.7	49.0	101.1	25.4	98.2	20.1	–	4,093.4
Goodwill	590.2	38.6	–	13.5	0.5	1.4	–	–	644.2
Associates									0.7
Cash, fixed deposits and equities									618.6
Deferred tax assets									22.1
Consolidated total assets									5,379.0
LIABILITIES									
Segment liabilities	1,157.6	220.3	39.0	63.8	20.9	9.1	27.4	–	1,538.1
Borrowings									530.1
Income tax payable									91.7
Deferred liabilities									210.1
Consolidated total liabilities									2,370.0

33 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
2018									
REVENUE									
External sales	2,711.0	726.5	166.1	107.5	43.3	26.7	24.1	–	3,805.2
Inter-segment sales	1.3	–	95.6	3.0	0.2	–	–	(100.1)	–
TOTAL	2,712.3	726.5	261.7	110.5	43.5	26.7	24.1	(100.1)	3,805.2
RESULT									
Operating Profit	216.5	129.4	25.3	39.8	11.8	4.9	11.1	–	438.8
Net Income from Investments									11.9
Finance Costs									(11.4)
Profit before Taxation									439.3
Taxation									(80.5)
Profit after Taxation									358.8
Non-Controlling Interests									(55.5)
Profit Attributable to Shareholders of the Company									303.3
OTHER INFORMATION									
Additions to vehicles, premises and equipment	196.9	96.8	2.8	26.2	2.5	27.0	0.6	–	352.8
Additions to taxi licences	–	15.4	–	–	–	–	–	–	15.4
Additions to goodwill	262.0	19.6	–	–	–	–	–	–	281.6
Depreciation expense	180.3	186.2	2.2	6.7	2.0	14.0	1.6	–	393.0
Amortisation expense	–	1.3	–	–	–	–	–	–	1.3
(Reversal of)/Provision for impairment loss recognised in Income Statement	–	(1.4)	–	–	–	0.3	–	–	(1.1)
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Segment assets	2,538.6	1,038.4	45.6	76.5	12.8	90.6	17.8	–	3,820.3
Goodwill	611.6	50.5	–	13.5	0.5	1.4	–	–	677.5
Associates									0.9
Cash, fixed deposits and equities									615.7
Deferred tax assets									22.3
Consolidated total assets									5,136.7
LIABILITIES									
Segment liabilities	1,012.7	190.6	29.9	29.7	14.4	8.3	24.9	–	1,310.5
Borrowings									485.2
Income tax payable									64.5
Deferred tax liabilities									249.4
Consolidated total liabilities									2,109.6

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33 SEGMENT INFORMATION (cont'd)

(ii) Geographical Segments

Geographical Location	Revenue		Non-current assets*		Additions to non-current assets*	
	2019	2018	2019	2018	2019	2018
	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil
Singapore	2,259.7	2,241.4	1,611.6	1,577.0	285.7	178.3
United Kingdom/Ireland	857.1	891.0	610.1	529.1	101.4	85.4
Australia	627.7	503.4	1,203.0	1,155.5	112.1	338.1
China	155.5	163.5	295.6	317.4	23.9	46.9
Vietnam	3.1	3.3	3.9	4.6	1.1	0.2
Malaysia	2.6	2.6	4.2	4.1	0.8	0.9
Total	3,905.7	3,805.2	3,728.4	3,587.7	525.0	649.8

* Comprising vehicles, premises and equipment, right-of-use assets, taxi licences, rights under contract and goodwill.

34 COMMITMENTS

As at 31 December 2019, the Group has the following commitments:

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

	The Group	
	2019	2018
	\$'mil	\$'mil
Purchase of equipment	12.9	17.3
Purchase of buses, taxis and motor vehicles	73.6	172.2
Purchase of computer systems	9.2	7.7
Development of bus depots and properties	31.3	7.1
Total	127.0	204.3

35 OPERATING LEASE ARRANGEMENTS

The Group as lessee

Disclosure required by SFRS(I) 16

As at 31 December 2019, the Group committed to \$1.7 million for leases exempted under SFRS(I) 16.

Disclosure required by SFRS(I) 1-17

As at 31 December 2018, the Group had outstanding commitments under non-cancellable operating leases for the rental of premises and vehicles as follows:

	The Group	The Company
	2018	2018
	\$'mil	\$'mil
Within one year	33.3	3.1
In the second to fifth year inclusive	58.8	–
After five years	37.7	–
Total	129.8	3.1

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

Disclosure required by SFRS(I) 16

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 \$178.3 million (2018 : \$182.1 million).

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

	The Group	
	2019	2018
	\$'mil	\$'mil
Within one year	163.2	174.9
In the second to fifth year inclusive	341.1	338.2
After five years	30.4	0.2
Total	534.7	513.3

36 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group		The Company	
	2019 \$'mil	2018 \$'mil	2019 \$'mil	2018 \$'mil
Financial Assets				
Amortised cost	1,374.9	1,289.5	526.0	529.9
Equity instruments classified as at FVTOCI	24.4	29.6	12.7	19.0
Financial Liabilities				
Amortised cost	1,635.7	1,393.2	533.8	512.9
Financial instruments designated in hedge accounting relationships				
– Hedging instruments	0.5	3.5	–	–

(b) Financial risk management policies and objectives

The main areas of financial risk faced by the Group are foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(i) Foreign exchange risk management

The Group manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using hedging instruments such as forwards and options where necessary. The Group's revenue is mainly denominated in Singapore Dollar ("SGD") with the remaining in Great British Pound ("GBP"), Renminbi ("RMB"), Australian Dollar ("AUD"), Euro ("EUR"), Malaysian Ringgit ("MYR") and Vietnamese Dong ("VND"). On the cost side, its foreign currency exposures include United States Dollar ("USD"), GBP, RMB, AUD, Swedish Kroner ("SEK"), EUR, MYR and VND. The Group has investments in the United Kingdom, China, Australia, Ireland, Malaysia and Vietnam. Net translation risks are regularly monitored and the Group currently does not seek to hedge this exposure as it does not impact cash flows.

Foreign currency sensitivity

The bulk of the Group's foreign currency exposures are in the functional currencies of its respective operations. Exposures to foreign currencies that are non-functional are actively managed as part of the overall foreign exchange risk management. Based on sensitivity analysis performed, Management has assessed that exposure to changes in foreign exchange rates arising from assets and liabilities denominated in non-functional currencies of entities in the Group is minimal.

36 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its borrowings, investments in fixed income securities and deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk. The Group may borrow at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate sensitivity

The Group has interest-bearing assets such as fixed income securities and deposits as well as interest-bearing liabilities. Any change in interest rate affecting the interest-bearing assets shall have an offsetting impact from the interest-bearing liabilities. Based on sensitivity analysis performed at the end of the reporting year, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or other comprehensive income of the Group is insignificant.

(iii) Credit risk management

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of Singapore, United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.

(iv) Liquidity risk management

The Group funds its operations through a mix of internal funds, bank borrowings and issuance of notes in the capital market. It regularly reviews its liquidity position comprising free cash flows from its operations, credit lines from banks and its Medium Term Note ("MTN") Programme to ensure its ability to access funding at any time at the best possible rates.

36 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(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 and petrol 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, petrol and electricity using the closing rates as at the end of the reporting year as a basis will impact the Group's annual fuel and electricity costs by \$0.5 million (2018 : \$0.5 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2019.

(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.

36 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Hedging instruments

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting year, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting year, the Group has outstanding fuel and foreign exchange hedge with notional amounts totalling \$59.9 million (2018 : \$47.8 million).

The fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting year, comprised \$0.3 million of assets (2018 : \$3.5 million of liabilities) was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges.

The Group uses fuel hedging contracts to manage its exposure to fuel price risks. These arrangements are designed to address fuel price exposure on future purchases of fuel and are accounted for as cash flow hedges.

(d) Capital risks management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 18(a) and 18(b) and lease liabilities from financial institutions under Note 19 while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 2019 and 2018.

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36 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

- (e) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's financial liabilities:

	Carrying amount \$'mil	Contractual cash flows			Beyond 5 years \$'mil	Effective interest rate %
		Total \$'mil	Within 1 year \$'mil	Within 2 to 5 years \$'mil		
2019						
Financial liabilities						
Loans:						
In functional currencies	530.1	535.0	200.7	334.3	–	1.2% to 2.2%
Lease liabilities from financial institutions:						
In functional currencies	104.1	111.3	31.4	79.1	0.8	1.5% to 8.4%
Lease liabilities:						
In functional currencies	203.7	238.1	33.9	112.7	91.5	1.2% to 4.4%
Total	837.9	884.4	266.0	526.1	92.3	
2018						
Financial liabilities						
Loans:						
In functional currencies	485.2	490.5	73.8	416.1	0.6	1.9% to 3.4%
Lease liabilities from financial institutions:						
In functional currencies	84.7	93.8	22.7	71.1	–	1.9% to 8.4%
Total	569.9	584.3	96.5	487.2	0.6	

37 DIVIDENDS

(a) During the financial year, the Company paid dividends as follows:

	2019 \$'mil	2018 \$'mil
Tax-exempt one-tier final dividend in respect of the previous financial year: – 6.15 cents (2018 : 6.05 cents) per ordinary share	133.2	130.9
Tax-exempt one-tier interim dividend in respect of the current financial year: – 4.50 cents (2018 : 4.35 cents) per ordinary share	97.5	94.2
Total	230.7	225.1

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 5.29 cents per ordinary share totalling \$114.6 million be paid for the financial year ended 31 December 2019. 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 4.50 cents per ordinary share (2018 : 4.35 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2019 will be 9.79 cents per ordinary share (2018 : 10.50 cents per ordinary share).

38 LICENCE FOR RAIL SERVICES

North-East Line MRT System, Punggol LRT System and Sengkang LRT System

Licence Prior To 1 April 2018

A licence dated 15 January 2003 was issued by Land Transport Authority (“LTA”) to a subsidiary, SBS Transit Ltd (“SBST”) under which SBST is licensed to operate the North-East Mass Rapid Transit System and the Sengkang and Punggol Light Rapid Transit Systems (collectively referred to as the “Licensed Systems”) for an initial period of 30 years, with a possible extension of a further 30 years subject to the approval of the LTA. Under this licence, the LTA funds the first set of the operating assets. SBST has the obligation, to acquire the first set of the operating assets at the net book values as recorded in the latest audited accounts of the LTA, at dates and times determined by the LTA during a joint review of the viability of the Licensed Systems by LTA and SBST. In addition, SBST has to fund all additions, renewals and replacement of operating assets required during the licence period. SBST had surrendered this licence on 31 March 2018 following the transition of the Licenced Systems to the New Rail Financing Framework under which a new licence has been granted with effect from 1 April 2018.

38 LICENCE FOR RAIL SERVICES (cont'd)

New Licence Under the New Rail Financing Framework ("NRFF")

With effect from 1 April 2018, SBST has been granted a new licence to operate the Licensed Systems under the New Rail Financing Framework ("NRFF") for a period of 15 years. If SBST applies for an extension, LTA may extend the term of the new licence for a further five years subject to terms and conditions as LTA may impose and SBST may accept.

The NRFF is an asset-light model whereby the LTA will make the capital investments in operating assets and thereby retain the ability and flexibility to decide on the additions, renewals and replacements and undertake long term planning for the rapid transit system network. It allows the LTA to respond more promptly to commuter needs, while relieving SBST of the cost of asset renewal and upgrade, and of procuring additional operating assets when ridership demand increases, in order to meet service level and reliability standards. The NRFF was first implemented in 2011 when SBST was awarded the tender for the Downtown Line.

With the transition to the NRFF, SBST will no longer need to buy over the first set of operating assets from the LTA. Going forward, LTA will also own and pay for the operating assets, including additions, renewals and replacements. In conjunction with the transition to the NRFF, SBST had entered into Sale and Purchase Agreements with the LTA on 14 February 2018 for the sale of certain operating assets required for the operation of the Licensed Systems which were purchased by SBST prior to the transition. The aggregate consideration for the sale was based on the respective net book values of such assets on the date of transfer amounted to \$29,210,000.

In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, SBST will pay an annual licence charge to the LTA over the licence period. The licence charge structure under the NRFF provides for some sharing between SBST and the LTA of revenue risks under the Fare Revenue Shortfall Sharing as well as profit sharing via an Earnings Before Interest and Tax Cap/Collar. These are explained below:

(i) Fare Revenue Shortfall Sharing ("FRSS")

The licence charge structure has a FRSS mechanism which offers some level of protection against revenue risks arising from uncertainties in ridership and fares. Under this mechanism, if the actual revenue falls short of the target revenue by 2% to 6%, LTA will share 50% of the shortfall. If the shortfall between the actual revenue and the target revenue exceeds 6%, LTA will bear 75% of the incremental revenue shortfall beyond 6%.

(ii) Earnings Before Interest & Tax ("EBIT") Cap/Collar

The licence charge structure provides for profit sharing via an EBIT cap and collar mechanism whereby LTA shares in the upside of the EBIT above the cap as well as the downside risks below the collar. If the EBIT margin is lower than 3.50%, LTA will share 50% of the shortfall. LTA's sharing of the shortfall is limited by the amount of licence charge payable by SBST for the year. If the EBIT margin exceeds the cap of 5%, the excess will be shared via a tiered structure, whereby 85% to 95% of the incremental EBIT above the 5% cap will be shared with LTA.

LTA's sharing under the FRSS and/or the EBIT Cap/Collar is limited by the amount of licence charge payable by SBST for the year.

In addition, the LTA may reimburse or be reimbursed by SBST when new regulatory changes initiated by LTA after the transition lead to changes in operating costs or revenue. Regulatory changes that may impact operating costs or revenue include modifications to operating performance standards for the rail lines, maintenance performance standards for the operating assets, key performance indicators or codes of practice and changes in rentable and advertising spaces available for generating non-fare revenue.

38 LICENCE FOR RAIL SERVICES (cont'd)

Downtown Line MRT System

A licence dated 19 December 2013 was issued by LTA to a subsidiary of SBST under which the subsidiary of SBST is licensed to operate the Downtown Line MRT System.

The licence sets out the conditions governing the operation of the Downtown Line MRT system and includes, among others, the following:

- (a) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.
- (b) The licence fee payable to LTA is prescribed under the subsidiary of SBST legislation of the Rapid Transit Systems Act during the Licence Term.
- (c) The subsidiary of SBST shall pay LTA a licence charge which consists of Fixed Charge and Revenue Share Charge. A yearly Fixed Charge is payable from financial year 2019 to end of licence period. If the Operating Surplus minus the Fixed Charge for a financial year is more than the Threshold Profit, the subsidiary of SBST shall pay Revenue Share Charge.
- (d) After the commencement of revenue service of the last stage, the subsidiary of SBST shall pay LTA a Cash-Bid Amount if the Net Operating Surplus for a financial year is more than the Threshold Profit.
- (e) All Operating Assets shall remain the property of LTA except for Spares, Special Tools, Non-Proprietary Items and End Devices purchased by the subsidiary of SBST during the Licence Term.

39 CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM")

A subsidiary, SBST entered into public bus services contracts (collectively known as the "Negotiated Contract") with LTA for the operation of public bus services under the BCM. The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016. Under the Negotiated Contract, SBST operates a total of 8 bus packages with an average contract period of 7 years. The respective contracted expiry dates of the 8 bus packages (subject to any further extension that may be granted at the sole discretion of LTA) are as follows: Bukit Merah (2018), Sengkang-Hougang (2021), Bedok (2023), Jurong West (2024), Tampines (2024), Serangoon-Eunos (2025), Clementi (2025) and Bishan-Toa Payoh (2026).

As part of the Negotiated Contract, SBST leases its fleet of close to 2,900 buses to LTA. In consideration of SBST using its fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of SBST (bus depot and related equipment) based on the depreciation of such assets.

Subsequent to the Negotiated Contract, SBST was awarded the Seletar Bus Package in April 2017 and the Bukit Merah Bus Package (the first among the 8 bus packages within the Negotiated Contract to expire) in February 2018 respectively through the tender process conducted by LTA. Both bus packages secured through the tender process have a contract period of five years which can be extended by another two years. The Seletar and Bukit Merah Bus Packages had commenced operations from March 2018 and November 2018 respectively.

Including the two bus packages secured through tender, SBST operates a total of 9 bus packages which cover a total of 223 bus services, 7 bus depots, 1 bus park, 17 bus interchanges and 14 bus terminals. The fleet size required to operate the 9 packages is around 3,500 buses.

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39 CONTRACTS UNDER THE BUS CONTRACTING MODEL ("BCM") (cont'd)

Under the BCM, LTA retains all fare revenue collected from the provision of the bus services. Revenue for SBST is derived from the provision of bus services which comprises service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, SBST retains revenue from other commercial services comprising advertising and rental.

In addition to operating and managing bus services to specified performance standards, SBST's responsibilities include the following:

- (a) Operate, manage and maintain the buses and their on-board equipment;
- (b) Operate, and maintain the bus interchanges, bus depots including the equipment and systems therein;
- (c) Charge and collect fares as approved by the Public Transport Council, on behalf of LTA, for travel on the bus services;
- (d) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- (e) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

40 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	
			2019 %	2018 %
Quoted equity shares				
SBS Transit Ltd ⁽²³⁾	Provision of public bus and rail services	Singapore	74.43	74.48
VICOM Ltd ⁽²³⁾	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.06
Unquoted equity shares				
Braddell Limited ⁽³⁾	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

40 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	
			2019 %	2018 %
Unquoted equity shares (cont'd)				
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel and petrol 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 ⁽²²⁾	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited ⁽¹⁸⁾	Provision and management of taxi booking services	United Kingdom	100	100

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40 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	
			2019 %	2018 %
Unquoted equity shares (cont'd)				
Swan Taxis Pty Ltd ⁽³⁾	Provision of taxi services	Australia	100	100
ComfortDelGro Corporation Australia Pty Ltd ⁽³⁾	Investment holding and provision of management services	Australia	100	100
ComfortDelGro Insurance Brokers Pte Ltd	Insurance broking, risk management, claims management related activities	Singapore	100	100
ComfortDelGro Ventures Pte Ltd	Investment holding	Singapore	100	100
Fringe Pte Ltd ⁽²⁴⁾	Investment holding	Singapore	100	–
Subsidiary of SBS Transit Ltd:				
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	74.43	74.48
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

40 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	
			2019 %	2018 %
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
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 ⁽²²⁾	Inactive	United Kingdom	100	100
Scottish Citylink Coaches Limited ⁽³⁾	Provision of long distance coach services	United Kingdom	65	65
New Adventure Travel Limited ⁽¹⁷⁾	Provision of public bus and coach services	United Kingdom	100	100
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

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31 DECEMBER 2019

40 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	
			2019 %	2018 %
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited ⁽²²⁾	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
Subsidiaries of Fringe Pte Ltd:				
Fringe Enable Pte Ltd ^{(22) (24)}	Provision of technology services	Singapore	100	–
Fringe Life Pte Ltd ^{(22) (24)}	Provision of technology services	Singapore	100	–
Subsidiaries of CityFleet Networks Limited:				
Computer Cab (Edinburgh) Limited ⁽¹⁹⁾	Inactive	United Kingdom	–	100
Computer Cab plc ⁽¹⁸⁾	Provision of taxi services	United Kingdom	100	100
Computer Cab (Aberdeen) Limited ⁽¹⁸⁾	Provision of taxi services	United Kingdom	100	100
Flightlink International Limited ⁽¹⁸⁾	Provision of private hire services	United Kingdom	100	100
Central Dispatch Limited ⁽¹⁹⁾	Inactive	United Kingdom	–	100
Computer Cab (Liverpool) Limited ⁽¹⁸⁾	Provision of taxi services	United Kingdom	100	100
Westbus Coach Services Limited ⁽¹⁸⁾	Provision of coach services	United Kingdom	100	100

40 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	
			2019 %	2018 %
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited ⁽¹⁹⁾	Inactive	United Kingdom	–	100
Subsidiary of Computer Cab plc:				
Cabcharge Limited ⁽¹⁹⁾	Inactive	United Kingdom	–	100
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 ⁽⁵⁾	Inactive	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⁾	Inactive	China	100	100
CityCab (Shenyang) Co., Ltd ⁽⁴⁾	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100

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31 DECEMBER 2019

40 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	
			2019 %	2018 %
Subsidiaries of ComfortDelGro (China) Pte Ltd (cont'd):				
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
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
Nanjing ComfortDelGro Xixia Driver Training Co., Ltd ⁽¹⁵⁾	Operation of a driving school	China	60	60
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

40 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	
			2019 %	2018 %
Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd ⁽¹⁹⁾	Inactive	China	–	100
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd ⁽¹³⁾	Provision of car leasing services	Malaysia	100	100
Vietnam Taxi Co., Ltd ⁽³⁾	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company ⁽¹⁹⁾	Inactive	Vietnam	–	60
Subsidiary of Swan Taxis Pty Ltd:				
ComfortDelGro Swan Pty Ltd ⁽³⁾	Provision of taxi services	Australia	100	100
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd:				
Westbus Region 1 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC NSW Pty Ltd ^{(3) (21)}	Provision of public bus services	Australia	100	100
Hillsbus Co Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
Hunter Valley Buses Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Travel Pty Ltd ⁽³⁾	Provision of charter, coach and terminal services	Australia	100	100
CDC Victoria Pty Ltd ⁽³⁾	Investment holding	Australia	100	100
Baypalm Pty Limited ⁽³⁾	Investment holding	Australia	100	100

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40 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	
			2019 %	2018 %
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd (cont'd):				
Blue Mountains Transit Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
Western Sydney Repair Centre Pty Ltd ⁽³⁾	Provision of accident and other repair and maintenance services	Australia	100	100
CDC Commercial Bus Company Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
FCL Holdings Pty Limited ⁽³⁾	Investment holding	Australia	100	100
National Patient Transport Pty Ltd ⁽³⁾	Investment holding	Australia	100	100
Buslink Pty Ltd ⁽³⁾	Investment holding	Australia	100	100
Buslink Southern Pty Ltd ⁽³⁾	Investment holding	Australia	100	100
B&E Blanch Pty Ltd ^{(3) (20)}	Provision of public bus services	Australia	100	–
CDC Western Australia Pty Ltd ^{(3) (24)}	Provision of public bus services	Australia	100	–
CDC South Australia Pty Ltd ^{(3) (24)}	Provision of public bus services	Australia	100	–
CDC Fleet Pty Ltd ^{(3) (24)}	Provision of taxi operations	Australia	100	–
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Sunshine Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Geelong Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Oakleigh Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100

40 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	
			2019 %	2018 %
Subsidiaries of CDC Victoria Pty Ltd (cont'd):				
CDC Wyndham Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Altona Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Ballarat Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Eastrans Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
CDC Tullamarine Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
Subsidiary of Baypalm Pty Limited:				
Qcity Transit Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
Subsidiaries of National Patient Transport Pty Ltd:				
National Patient Transport NSW Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport Qld Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport WA Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport SA Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100
NPT Heart Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100
Platinum Healthcare Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100
National Patient Transport Vic Pty Ltd ⁽³⁾	Provision for non-emergency transport services to patients	Australia	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

40 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	
			2019 %	2018 %
Subsidiaries of FCL Holdings Pty Ltd:				
FCL Finance Pty Limited ⁽³⁾	Provision of public bus services	Australia	100	100
Forest Coach Lines Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100
Terrey Hills Depot Holdings Pty Ltd ⁽³⁾	Investment holding	Australia	100	100
Subsidiaries of Buslink Pty Ltd and Buslink Southern Pty Ltd:				
Buslink Gladstone Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
Buslink Sunshine Coast Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
Buslink Broken Hill Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
Buslink Sunraysia Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
Tropic Sun Pty Ltd ⁽³⁾	Investment holding	Australia	100	100
Subsidiaries of Buslink Pty Ltd:				
Buslink NT Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100
Buslink Alice Springs Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100

40 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 Dongshen Dingli International Certified Public Accountants Co., Ltd, China.
- ⁽⁶⁾ Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.
- ⁽⁷⁾ Audited by LBW & Partners, Australia.
- ⁽⁸⁾ Audited by Sichuan Gongming Certified Public Accountants Co., Ltd, China.
- ⁽⁹⁾ Audited by Chongqing TianHua Certified Public Accountants Co., Ltd, China. ComfortDelGro (China) Pte Ltd held 90% and Chengdu ComfortDelGro Taxi Co. Ltd held 10%.
- ⁽¹⁰⁾ Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
- ⁽¹¹⁾ Audited by Jilin Hua Tai Certified Public Accountants Co., Ltd, China.
- ⁽¹²⁾ Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.
- ⁽¹³⁾ Audited by Bahudin & Associates, Malaysia.
- ⁽¹⁴⁾ Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.
- ⁽¹⁵⁾ Audited by Ruihua Certified Public Accountants Co., Ltd, China.
- ⁽¹⁶⁾ Audited by Ethics Plus Public Accountants, United Arab Emirates.
- ⁽¹⁷⁾ Audited by Broomfield Alexander, United Kingdom.
- ⁽¹⁸⁾ Audited by Wilkins Kennedy LLP, United Kingdom.

Other information

- ⁽¹⁹⁾ Struck off during the financial year.
- ⁽²⁰⁾ Acquired during the financial year.
- ⁽²¹⁾ Previously known as Westbus Region 3 Pty Ltd.
- ⁽²²⁾ These subsidiaries are insignificant and unaudited.
- ⁽²³⁾ Listed on the Singapore Exchange Securities Trading Limited.
- ⁽²⁴⁾ Incorporated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

40 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	
			2019 %	2018 %
Unquoted equity shares				
Phillip Boyle & Associates Pty Ltd ⁽¹⁾	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49
Gobbler Pte Ltd ⁽²⁾	Sales of goods bartered from the provision of advertising services	Singapore	40	40

Note:

⁽¹⁾ Audited by Complete Audit Pty Ltd, Australia. The associate is insignificant.

⁽²⁾ 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.

41 ACQUISITIONS OF NEW SUBSIDIARIES

On 23 April 2019, the Group acquired 100% of the issued share capital of B&E Blanch Pty Ltd ("Blanch") for cash consideration of \$33.7 million. This transaction has been accounted for by the acquisition method of accounting.

Blanch is an entity incorporated in Australia with its principal activity being provider of transport services, namely bus, school and non-school charter services. The Group acquired Blanch primarily for expansion of its bus operations in New South Wales.

On 1 January 2019, the Group has entered into a joint venture agreement with Nanjing Qixia District Number 2 Passenger Transportation Co., Ltd and Nanjing Bulk Lifting and Transportation (Group) Co., Ltd to form an equity joint venture company known as Nanjing ComfortDelGro Xixia Driver Training Co., Ltd, with the Group holding 60% of the issued share capital of Nanjing ComfortDelGro Xixia ("Xixia") for cash consideration of \$2.6 million. This transaction has been accounted for by the acquisition method of accounting.

Consideration transferred (at acquisition date fair values)

	2019 \$'mil
Blanch	33.7
Xixia	2.6
Total purchase consideration for new acquisitions in 2019	36.3
Adjustment to prior year's acquisition – Buslink Companies	1.8
Total purchase consideration	38.1

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "Other operating costs" line item in the Group Income Statement.

Assets acquired and liabilities assumed at the date of acquisition

	2019 \$'mil
Current assets	7.3
Non-current assets	18.1
Current liabilities	(1.4)
Non-current liabilities	(6.0)
Net assets acquired and liabilities assumed	18.0
Goodwill arising on acquisitions	18.3
Purchase consideration for new acquisitions in 2019	36.3

Goodwill arose in the acquisitions because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

41 ACQUISITIONS OF NEW SUBSIDIARIES (cont'd)

\$18.3 million goodwill arising from acquisitions relates to provisional goodwill for certain acquisitions. The finalisation of the goodwill amount is dependent on the completion of the valuation of net assets acquired.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	2019 \$'mil
Consideration paid in cash	38.1
Less: Cash and cash equivalent balances acquired	(9.8)
	<u>28.3</u>

In April 2019, the valuation for certain acquisitions made in 2018 was completed. The 2018 comparative information was not restated to reflect the adjustment to the provisional amounts as the difference is insignificant. The differences below is reflected in 2019 Statement of Financial Position of the Group.

	2019 \$'mil
Current Assets	12.8
Non-current assets	37.2
Current liabilities	(11.5)
Non-current liabilities	(6.1)
Net assets acquired and liabilities assumed	32.4
Adjustment to prior year's provisional goodwill	(30.6)
Adjustment to prior year's purchase consideration	<u>1.8</u>

The above is reflected as non-cash transactions in the Group Cash Flow Statement.

The increased depreciation charge on the buildings and amortisation charge on rights under contract from the acquisition date to 31 December 2018 was not significant.

42 CONTINGENT EVENT

5 Bus Captains commenced legal proceedings against a subsidiary of the Group on 20 September 2019 and 3 Bus Captains commenced legal proceedings against the subsidiary on 24 December 2019, disputing the prescribed rest day and overtime. At the date of this report, the subsidiary is in the midst of legal proceedings. As at 31 December 2019, Management is of the view that no provision is required with regards to the above lawsuits.

43 SUBSEQUENT EVENT

The Coronavirus outbreak subsequent to the reporting period is expected to impact certain segments of the business of the Group. As the situation relating to the spread remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Group in 2020.

44 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 6 years 8 months unexpired	Head office, bus depot, vehicle workshop
SBS Transit Ltd	74.43	Soon Lee Road	26,670 sq m	30 years 10 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.43	Defu Ave 1	74,236 sq m	38 years from 1 January 1983 1 year unexpired	Bus depot
SBS Transit Ltd	74.43	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	74.43	Bukit Batok Street 23	52,187 sq m	43 years from 1 January 1983 6 years unexpired	Bus depot
SBS Transit Ltd	74.43	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	74.43	Ang Mo Kio Street 63	63,955 sq m	30 years 9 months from 1 March 1994 4 years 11 months unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 21 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 7 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	No. 511 Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years 5 years 9 months unexpired	Inspection, testing and assessment services

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
VICOM Ltd	67.06	Changi North Crescent	6,015 sq m	30 years from May 1995 5 years 4 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 23 years 6 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 23 years 6 months unexpired	Inspection services
Setsco Services Pte Ltd	67.06	No. 531 Bukit Batok Street 23	7,554.5 sq m	7 years from October 2018 with option renew another 30 years 5 years 9 months unexpired	Testing, inspection and consultancy services
JIC Inspection Services Pte Ltd	52.31	Pioneer Road	9,190 sq m	30 years from December 1994 4 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 2017 renewed for another 3 years from March 2020 3 years 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	19,523 sq m	60 years 15 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	24,499 sq m	30 years 3 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 32 years 4 months unexpired	Office, workshop, diesel kiosk

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 5 years 9 months unexpired	Workshop, diesel and petrol kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 6 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 29 years 2 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	17 years 2 years 9 months unexpired	Workshop, diesel kiosk
Fringe Pte Ltd	100	Pasir Panjang Road	223 sq m	3 years 2 years 7 months unexpired	Office
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 8 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 29 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 23 years unexpired	Staff residence
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 14 years unexpired	Office
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 36 years 8 months unexpired	Office

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
CHINA (cont'd)					
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	95	Wen Jia Red Mill Village Chengdu	113,334 sq m	10 years 3 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 43 years unexpired	Office
UNITED KINGDOM					
CityFleet Networks Limited	100	31 Colville Rd, Acton, London W3 8BL	1,858 sq m	Freehold	Office, fitting bay
Computer Cab plc	100	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	100	Falkland Street Liverpool 13 8HB	610 sq m	99 years 78 years 7 months unexpired	Office, fleet dept
Computer Cab (Aberdeen) Limited	100	Burnside Driver, Dyce Arbedeen AB21 OHW	779 sq m	5 years 3 years 6 months unexpired	Office
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	4 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

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
UNITED KINGDOM (cont'd)					
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline West Limited	100	Ealing Road Wembley HA0 4LL	4,996 sq m	Freehold	Bus depot
New Adventure Travel Limited	100	Coaster Place Cardiff CF10 4XZ	6,070 sq m	Freehold	Bus depot
New Adventure Travel Limited	100	Brecon Road, Abercrave Swansea SA9 1TN	6,070 sq m	Freehold	Workshop
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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
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	100	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Corporation Australia Pty Ltd	100	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Prosperity Drive Truganina Victoria	40,764 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Mile End Road Rouse Hill NSW	41,380 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	North Road & Fulton Street Oakleigh Victoria	3,630 sq m	Freehold	Bus depot
CDC Ballarat Pty Ltd	100	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
Buslink Pty Ltd	100	Lyons St Gladstone QLD	6,510 sq m	Freehold	Bus depot & office
Buslink Pty Ltd	100	Bartlett St Noosaville QLD	8,942 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Page St Kunda Park QLD	12,808 sq m	Freehold	Bus depot & Head office
Buslink Pty Ltd	100	Link Cres Coolum QLD	2,570 sq m	Freehold	Bus parking
Buslink Pty Ltd	100	Enterprise St Caloundra QLD	4,052 sq m	Freehold	Bus parking
Buslink Pty Ltd	100	Pruen Road Berrimah NT	14,100 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Berrimah Road Berrimah NT	10,117 sq m	Freehold	Bus depot

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
Buslink Pty Ltd	100	Challoner Road Humpty Doo NT	19,800 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	5 Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	7 Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Tapio Avenue Dareton NSW	1,182 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Arthur Street Wentworth NSW	4,034 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Corner Bathurst Street & Sandown Drive, Mildura VIC	12,543 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Kanandah Road Broken Hill VIC	3,699 sq m	Freehold	Bus depot
Buslink NT Pty Ltd	100	Town of Jabiru NT	3,370sq m	15 years from February 2006 1 year 6 months unexpired	Bus depot
Forest Coach Lines Pty Limited	100	Newcastle Drive Toormina NSW	15,100 sq m	Freehold	Bus depot including office building & caretakers cottage
Forest Coach Lines Pty Limited	100	Mona Vale Rd Myoora Rd Terrey Hills NSW	16,920 sq m	Freehold	Bus depot & office

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
Forest Coach Lines Pty Limited	100	Hurley Dr, Coffs Harbour NSW	5,363 sq m	10 years 6 years 11 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Hawke Drive Woolgoolga NSW	4,072 sq m	10 years 6 years 11 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Inman, Cromer Woolgoolga NSW	2,000 sq m	2 years 2 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Ugoa St, Narrabri, NSW	1,037 sq m	10 years 7 years 8 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Rose St, Wee Waa, NSW	1,682 sq m	10 years 7 years 8 months unexpired	Bus depot & office
CDC Sunshine Pty Ltd	100	Carrington Drive, Albion, Victoria	6,750 sq m	14 years 2 years 9 months unexpired	Bus parking
CDC Sunshine Pty Ltd	100	Carrington Drive, Albion, Victoria	6,750 sq m	14 years 2 years 9 months unexpired	Paint shop & Training room
CDC Tullamarine Pty Ltd	100	Louis Street, Airport West, Victoria	1,326 sq m	10 years 2 years 6 months unexpired	Bus depot
CDC Tullamarine Pty Ltd	100	Louis Street, Airport West, Victoria	1,374 sq m	10 years 2 years 6 months unexpired	Bus depot
CDC Tullamarine Pty Ltd	100	Moore Road, Airport West, Victoria	5,895 sq m	10 years 2 years 6 months unexpired	Bus depot
National Patient Transport Pty Ltd	100	Browns Road, Noble Park, Victoria	2,000 sq m	3 years 2 years 6 months unexpired	Head office & Ambulance depot

44 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
National Patient Transport Pty Ltd	100	Whitehorse Rd, Mitcham, Victoria	2,000 sq m	3 years 2 years 6 months unexpired	Ambulance depot & Training room
National Patient Transport Pty Ltd	100	Goodyear Drive, Thomastown, Victoria	1,200 sq m	3 years 2 years 3 months unexpired	Ambulance depot
National Patient Transport Pty Ltd	100	Watson Street, Shepparton, Victoria	750 sq m	3 years 2 years 4 months unexpired	Ambulance depot
National Patient Transport Pty Ltd	100	Tallarook St, Seymour, Victoria	500 sq m	3 years 2 years 6 months unexpired	Ambulance depot
National Patient Transport Pty Ltd	100	Whyalla St, Willetton, Victoria	500 sq m	3 years 2 years 5 months unexpired	Ambulance depot
B&E Blanch Pty Ltd	100	De-Havilland Cr, Ballina, NSW	5,040 sq m	10 years 9 years 6 months unexpired	Bus depot, workshop & main office
B&E Blanch Pty Ltd	100	Mogo Pl, Billinudgel, NSW	1,600 sq m	10 years 9 years 6 months unexpired	Bus depot, workshop & office
B&E Blanch Pty Ltd	100	Tasman Wy, Byron Bay, NSW	3,090 sq m	10 years 9 years 6 months unexpired	Bus depot & office
B&E Blanch Pty Ltd	100	Tasman Wy, Byron Bay, NSW	1,000 sq m	10 years 9 years 6 months unexpired	Bus depot
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh – TP Ho Chi Minh City	6,438 sq m	20 years 1 year unexpired	Office, workshop

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

44 GROUP PROPERTIES (cont'd)

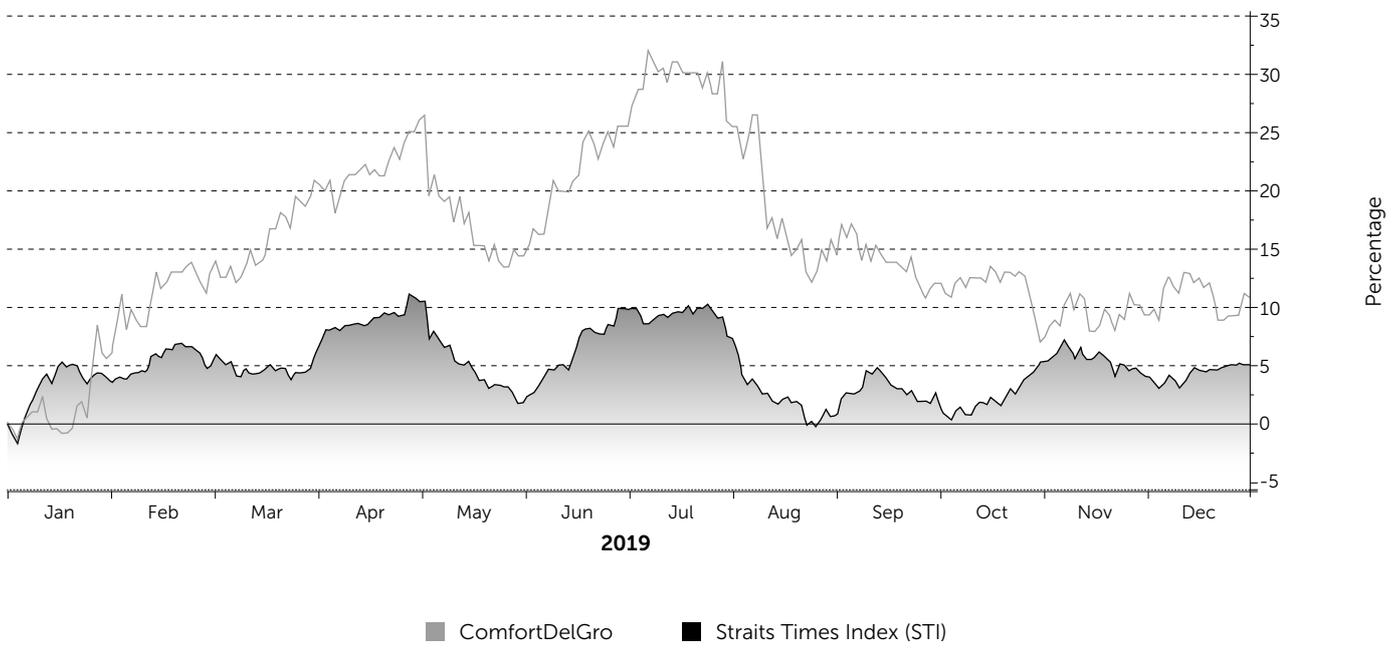
Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
MALAYSIA					
Setsco Services (M) Sdn Bhd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 88 years 11 months unexpired	Testing, inspection, consultancy services
CityLimo Leasing (M) Sdn Bhd	100	47500 Subang Jaya Industrial Estate Selangor Darul Ehsan	1,022 sq m	1 year 4 months unexpired	Office, workshop

SHARE PRICE MOVEMENT CHART

COMFORTDELGRO'S SHARE PRICE MOVEMENT AND VOLUME TURNOVER



COMPARISON OF PERFORMANCE OF COMFORTDELGRO'S SHARE PRICE AND STRAITS TIMES INDEX (STI)



Source: Bloomberg Finance L.P.

SHAREHOLDING STATISTICS

AS AT 27 FEBRUARY 2020

Issued and fully paid-up capital : S\$692,354,302.75
 Number of Shares Issued : 2,166,238,663
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per share
 The Company does not hold any treasury shares and subsidiary holdings.

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 27 FEBRUARY 2020

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	965	2.44	36,464	0.00
100 -1,000	3,277	8.27	2,416,885	0.11
1,001 – 10,000	20,254	51.12	94,495,660	4.36
10,001 – 1,000,000	15,086	38.08	341,722,875	15.78
1,000,001 & above	34	0.09	1,727,566,779	79.75
TOTAL	39,616	100.00	2,166,238,663	100.00

LIST OF TWENTY (20) LARGEST SHAREHOLDERS

(As recorded in the Depository Register as at 27 February 2020)

	Name of Shareholder	No. of Shares	%
1	DBS Nominees Pte Ltd	526,991,178	24.33
2	Citibank Nominees Singapore Pte Ltd	503,673,217	23.25
3	DBSN Services Pte Ltd	323,627,446	14.94
4	HSBC (Singapore) Nominees Pte Ltd	141,869,849	6.55
5	Raffles Nominees (Pte) Limited	62,668,727	2.89
6	United Overseas Bank Nominees Pte Ltd	35,480,290	1.64
7	BPSS Nominees Singapore (Pte.) Ltd.	27,121,318	1.25
8	OCBC Nominees Singapore Pte Ltd	18,779,485	0.87
9	Changi Bus Company (Private) Limited	9,024,095	0.42
10	Yim Chee Chong	8,436,500	0.39
11	Estate Of Kua Hong Pak, Deceased	7,524,530	0.35
12	Morgan Stanley Asia (S) Securities Pte Ltd	6,378,590	0.29
13	Phillip Securities Pte Ltd	5,998,331	0.28
14	Societe Generale Spore Branch	5,985,453	0.28
15	Merrill Lynch (Spore) Pte Ltd	5,955,018	0.27
16	OCBC Securities Private Ltd	5,102,684	0.23
17	Heng Siew Eng	3,527,200	0.16
18	Choo Chek Siew	3,260,000	0.15
19	CGS-CIMB Securities (Singapore) Pte Ltd	2,841,637	0.13
20	UOB Kay Hian Pte Ltd	2,758,220	0.13
	TOTAL	1,707,003,768	78.80

Note: The percentage of shareholding is calculated based on 2,166,238,663 issued shares as at 27 February 2020

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 27 February 2020)

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
BlackRock, Inc.	–	–	151,994,840 ⁽²⁾	7.02
The PNC Financial Services Group, Inc.	–	–	151,994,840 ⁽²⁾	7.02

Notes:

(1) The percentage is calculated based on 2,166,238,663 issued shares as at 27 February 2020.

(2) BlackRock, Inc. is deemed to have an interest in 151,994,840 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 151,994,840 shares of ComfortDelGro Corporation Limited held by the subsidiaries of BlackRock, Inc.

COMPLIANCE WITH RULE 723 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) LISTING MANUAL

Based on information available and to the best knowledge of the Company as at 27 February 2020, approximately 92.78% of the ordinary shares of the Company are held by the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 200300002K)

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of ComfortDelGro Corporation Limited (the “Company”) will be held on Friday, 24 April 2020 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:

To consider and, if thought fit, to pass the following Resolutions:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the Financial Year ended 31 December 2019 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To declare a tax-exempt one-tier final dividend of 5.29 cents per ordinary Share in respect of the Financial Year ended 31 December 2019. **(Resolution 2)**
3. To approve the payment of Directors’ fees of \$948,069 for the Financial Year ended 31 December 2019. (FY2018: \$882,906) **(Resolution 3)**
4. To re-elect Mr Yang Ban Seng, a Director retiring pursuant to Regulation 93 of the Company’s Constitution.
[Please refer to Explanatory Note (a)] **(Resolution 4)**
5. To re-elect Mr Lee Khai Fatt, Kyle, a Director retiring pursuant to Regulation 93 of the Company’s Constitution.
[Please refer to Explanatory Note (b)] **(Resolution 5)**
6. To re-elect Dr Wang Kai Yuen, a Director retiring pursuant to Regulation 93 of the Company’s Constitution.
[Please refer to Explanatory Note (c)] **(Resolution 6)**
7. To note that Mr Ong Ah Heng will be retiring pursuant to Regulation 93 of the Company’s Constitution and will not be seeking re-election at this AGM.
8. To re-appoint Messrs Deloitte & Touche LLP as Auditors of the Company and authorise the Directors to fix their remuneration. **(Resolution 7)**

SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following resolutions:

Ordinary Resolutions:

9. Authority to issue Shares under the ComfortDelGro Executive Share Award Scheme (Resolution 8)

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the Directors of the Company be authorised to offer and grant awards ("**Awards**") in accordance with the provisions of the ComfortDelGro Executive Share Award Scheme ("**Scheme**") and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the Awards under the Scheme, provided that the aggregate number of shares to be allotted and issued pursuant to the Scheme, when added to the number of shares issued and issuable in respect of all Awards, and all shares issued and issuable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company and for the time being in force, shall not exceed two per centum (2%) of the total issued shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

[Please refer to Explanatory Note (d)]

10. Renewal of Share Buyback Mandate (Resolution 9)

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50 of Singapore)(the "**Companies Act**"), the exercise by the Directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - i market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - ii off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the Constitution of the Company, the provisions of the Companies Act and the Listing Manual of the SGX-ST ("**Listing Manual**") as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

- (b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earliest of:
- i the date on which the next AGM is held or required by law to be held;
 - ii the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by the Company in general meeting; and
 - iii the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

"Maximum Limit" means that number of Shares representing not more than ten per cent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings); and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) which shall not exceed:

- i in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- ii in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and ten per cent (110%) of the Average Closing Price,

Where:

"Relevant Period" means the period commencing from the date on which this resolution is passed and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this resolution;

"Average Closing Price" means the average of the closing market prices of a Share traded on the SGX-ST over the last five (5) market days (a **"Market Day"** being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made; and

"Day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and/or any of them be and are hereby authorised to deal with the Shares purchased or acquired by the Company, pursuant to the Share Buyback Mandate in any manner as they think fit, which is permitted under the Act and the Company's Constitution; and

- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Resolution.

[Please refer to Explanatory Note (e)]

RECORD AND DIVIDEND PAYMENT DATES

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 5 May 2020, at 5.00 p.m. for the purpose of determining Shareholders' entitlements to the proposed tax-exempt one-tier final dividend of 5.29 cents per ordinary Share for the Financial Year ended 31 December 2019.

Duly completed and stamped transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on 5 May 2020 will be registered to determine Shareholders' entitlements to the final dividend. Shareholders (being depositors) whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary Shares in the capital of the Company as at 5.00 p.m. on 5 May 2020 will be entitled for the proposed final dividend.

The final dividend, if approved by the Shareholders at the Seventeenth AGM of the Company, will be paid on 13 May 2020.

By Order of the Board

Chan Wan Tak, Wendy
Yeo Tee Yeok, Edwin
Joint Company Secretaries
Singapore
25 March 2020

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 AGM. 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 AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 72 hours before the time appointed for holding the AGM.

NOTICE OF 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 AGM 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 AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (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 actions, proceedings, penalties, liabilities, claims, demands, costs, expenses, losses and damages suffered or incurred by the Company as a result of the member's breach of warranty.

EXPLANATORY NOTES:

ORDINARY BUSINESS:

- (a) Ordinary Resolution 4. Mr Yang Ban Seng⁽¹⁾, if re-elected, will continue to serve as a Member of Investment Committee. Mr Yang is also Managing Director and Group Chief Executive Officer of the Company and considered an Executive and Non-Independent Director.
- (b) Ordinary Resolution 5. Mr Lee Khai Fatt, Kyle⁽¹⁾, if re-elected, will continue to serve as a Member of both the Audit and Risk Committee and Nominating Committee. Mr Lee is considered a Non-Executive and Independent Director, pursuant to Rule 704(8) of the Listing Manual of SGX-ST.
- (c) Ordinary Resolution 6. Dr Wang Kai Yuen⁽¹⁾, if re-elected, will continue to serve as the Chairman of the Remuneration Committee and a Member of the Investment Committee. Dr Wang is considered a Non-Executive and Independent Director, pursuant to Rule 704(8) of the Listing Manual of SGX-ST.

SPECIAL BUSINESS:

- (d) Ordinary Resolution 8, if passed, will empower the Directors to offer and grant Awards under the Scheme in accordance with the provisions of the Scheme and to issue from time to time such number of fully paid shares as many be required to be issued pursuant to the vesting of the Awards subject to the maximum number of Shares prescribed under the terms and conditions of the Scheme. The aggregate number of Shares which may be issued pursuant to the Scheme and any other share-based schemes (if applicable) shall not exceed in aggregate (for the entire duration of the Scheme) two per centum (2%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time. The Scheme was approved at the AGM held on 26 April 2018.

- (e) Ordinary Resolution 9, if passed, will renew the Share Buyback Mandate, and empower the Directors to exercise all powers of the Company to purchase or otherwise acquire (whether by way of market purchases or off-market purchases) Shares on the terms of the Share Buyback Mandate as set out in the Appendix to this Notice (the "**Appendix**"), which is available at www.comfortdelgro.com.

The Company may use internal and external sources of funds to finance its purchases or acquisitions of Shares. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would result in any material adverse effect on the listing status of the Shares on the SGX-ST, liquidity and/or the orderly trading of the Shares and/or the financial position of the Company and its subsidiaries (collectively, the "**Group**"). The amount of financing required for the Company to purchase its Shares pursuant to the Share Buyback Mandate and the impact on the Company's financial position cannot be realistically ascertained as at the date of this Notice as this will depend on factors such as the aggregate number of Shares purchased, whether the Shares are purchased or acquired out of capital or profits, the purchase prices paid at the relevant times, and whether the Shares purchased or acquired are held in treasury or cancelled.

The rationale for the Share Buyback Mandate, the source of funds to be used for the Share Buyback Mandate, the impact of the Share Buyback Mandate on the Company's financial position, the implications arising as a result of the Share Buyback Mandate under The Singapore Code on Take-overs and Mergers and on the listing of the Company's Shares on the SGX-ST are set out in the Appendix, which is enclosed together with this Notice.

An illustration of the total number of Shares which may be purchased or acquired by the Company up to the Maximum Limit, pursuant to the Share Buyback Mandate, is contained in section 3.2.1 of the Appendix.

An illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Limit at the relevant Maximum Price in the case of Market Purchases and an illustration of the maximum amount of financing or funds required for the purchase or acquisition of Shares up to the Maximum Limit at the relevant Maximum Price in the case of Off-Market Purchases, pursuant to the Share Buyback Mandate, are contained in section 3.5.2(b) of the Appendix.

An illustration of the financial impact of the purchase or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Group for the financial year ended 31 December 2019 is set out in the Appendix.

A Share Buyback Mandate (the "**2019 Mandate**") on the same terms was approved at the AGM of the Company held on 26 April 2019.

NOTICE OF ANNUAL GENERAL MEETING

MEASURES TO MINIMISE RISK OF COVID-19

In order to minimise the risk of community spread of COVID-19, the following steps will be taken for Shareholders and others attending the AGM:

1. All persons attending the AGM will be required to undergo a temperature check and make a health declaration;
2. Any person who has recent travel history to affected countries listed by the Ministry of Health, irrespective of nationality, will not be permitted to attend the AGM;
3. Any person who has fever or exhibits flu-like symptoms will not be permitted to attend the AGM; and
4. If the situation remains at DORSCON Orange or higher, there will be no food served at the AGM.

Shareholders are advised to arrive at the AGM venue early given that the above-mentioned measures may cause delay in the registration process.

In view of the COVID-19 situation, we wish to advise Shareholders that it is not essential for you to attend the AGM in person. Shareholders should refrain from attending the AGM under the present circumstances as long as the DORSCON level remains at Orange, or higher.

To vote on any or all of the resolutions at the AGM, you are encouraged to send in your votes in advance by proxy. You may appoint the Chairman as your proxy. The proxy form is attached to the Notice of AGM.

If you have any questions in relation to any item of the Agenda of the AGM, you may send them in advance via email to our Investor Relations team at girspo@comfortdelgro.com.

As the COVID-19 situation continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate up to the day of the AGM.

We will post updates on our corporate website at www.comfortdelgro.com

The Company seeks the understanding and cooperation of all Shareholders.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION:

The following additional information on Mr Yang Ban Seng, Mr Lee Khai Fatt, Kyle and Dr Wang Kai Yuen, all of whom are seeking re-election as Directors of the Company at the 17th Annual General Meeting to be held on 24 April 2020, is to be read in conjunction with their respective biographies on pages 21, 22 and 25.

	YANG BAN SENG Managing Director and Group Chief Executive Officer (Executive & Non-Independent Director)	LEE KHAI FATT, KYLE (Non-Executive & Independent Director)	WANG KAI YUEN (Non-Executive & Independent Director)
Country of principal residence	Singapore	Singapore	Singapore
The Board's comments on this appointment	Mr Yang's in-depth knowledge and business experience with the Group, will continue to enhance board deliberations and set the direction for growth.	Mr Lee's extensive experience in audit and business advisory services will continue to add relevant knowledge, skills, experience and diverse views to the Board.	Dr Wang's vast experience in international business management, corporate finance and governance will continue to enhance board deliberations and continue towards the core competencies of the Board.
Working experience and occupations(s) during the past 10 years	<p><u>Current Directorships:</u></p> <ol style="list-style-type: none"> ComfortDelGro Corporation Limited* SBST Transit Ltd* VICOM Ltd* Mr Yang's principal directorships of ComfortDelGro Group can be found under the section entitled "Directors' Particulars" in the 2019 Annual Report on page 76 <p><u>Current Principal Commitments:</u></p> <ol style="list-style-type: none"> ComfortDelGro Corporation* - Managing Director and Group Chief Executive Officer SBS Transit Ltd - Executive Deputy Chairman <p><u>Past 10 years Directorships:</u></p> <ol style="list-style-type: none"> Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd ComfortDelGro Savico Taxi Company 	<p><u>Current Directorships:</u></p> <ol style="list-style-type: none"> ComfortDelGro Corporation Limited* Great Eastern Holdings Limited* CapitalLand Mall Trust Management Ltd (Manager for CapitalLand 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 <p><u>Current Principal Commitments:</u></p> <p>Nil</p> <p><u>Past 10 years Directorships:</u></p> <ol style="list-style-type: none"> MFS Technology Ltd 	<p><u>Current Directorships:</u></p> <ol style="list-style-type: none"> ComfortDelGro Corporation Limited* Cosco Corporation (Singapore) Ltd* Ezion Holdings Ltd* HLH Group Ltd* Emas Offshore Limited* Waan Holdings Pte Ltd <p><u>Current Principal Commitments:</u></p> <p>Nil</p> <p><u>Past 10 years Directorships:</u></p> <ol style="list-style-type: none"> Asian Micro Holdings Ltd* A-Sonic Aerospace Limited* China Aviation Oil (Singapore) Corporation Ltd* Hiap Hoe Limited* Matex International Limited* China Lifestyle Food and Beverages Group Ltd Cubee Pte Ltd Newspace Fund Ltd SuperBowl Holdings Ltd Xpress Holdings Ltd
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: ComfortDelGro Corporation Limited - 7,168 Deemed Interest: ComfortDelGro Corporation Limited - 18,185 Share Options: ComfortDelGro Corporation Limited - 660,000	Direct interest: ComfortDelGro Corporation Limited - 100,000 Deemed Interest: ComfortDelGro Corporation Limited - 70,000	Direct interest: ComfortDelGro Corporation Limited - 52,500

* Listed Company

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YANG BAN SENG Managing Director and Group Chief Executive Officer (Executive & Non-Independent Director)	LEE KHAI FATT, KYLE (Non-Executive & Independent Director)	WANG KAI YUEN (Non-Executive & Independent Director)
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No
Conflict of interest (including any competing business)	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer (Yes or No)	Yes	Yes	Yes
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

	YANG BAN SENG Managing Director and Group Chief Executive Officer (Executive & Non-Independent Director)	LEE KHAI FATT, KYLE (Non-Executive & Independent Director)	WANG KAI YUEN (Non-Executive & Independent Director)
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	YANG BAN SENG Managing Director and Group Chief Executive Officer (Executive & Non-Independent Director)	LEE KHAI FATT, KYLE (Non-Executive & Independent Director)	WANG KAI YUEN (Non-Executive & Independent Director)
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :-	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or			
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or			
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or			
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,			
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

COMFORTDELGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 200300002K)

PROXY FORM ANNUAL GENERAL MEETING

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Cap. 50 of Singapore may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.
2. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF/SRS investors who intend to exercise the voting rights attached to their ComfortDelGro Corporation Limited Shares purchased using their CPF/SRS monies are requested to contact their respective CPF/SRS 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 25 March 2020.

I/We _____ (Name) _____ (NRIC/Passport Number)
of _____ (Address)

being a member/members of ComfortDelGro Corporation Limited (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholding (%) (Note 2)

and/or (delete as appropriate)

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or failing *him/them, the Chairman of the Annual General Meeting ("AGM"), as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf, at the 17th AGM of the Company to be held at Singapore Chinese Cultural Centre, 1 Straits Boulevard, Singapore 018906 on Friday, 24 April 2020 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy/ proxies to vote for or against or abstain from voting 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 and at any adjournment thereof.

* Delete where inapplicable

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick (✓) within the box provided. If you wish to exercise your votes for both "For" and "Against" the relevant Resolution, please indicate the number of Shares in the relevant boxes provided below. Alternatively, if you wish to abstain from voting for the relevant Resolution, please either tick (✓) within the box or indicate the number of Shares in the relevant box provided.

No.	Resolutions	No. of Votes For	No. of Votes Against	No. of Votes Abstained
Ordinary Business				
1.	Adoption of Directors' Statement and Audited Financial Statements for the year ended 31 December 2019			
2.	Declaration of Final Dividend for the year ended 31 December 2019			
3.	Approval of Directors' Fees amounting to \$948,069 for year ended 31 December 2019			
4.	Re-election of Mr Yang Ban Seng as Director			
5.	Re-election of Mr Lee Khai Fatt, Kyle as Director			
6.	Re-election of Dr Wang Kai Yuen as Director			
7.	Re-appointment of Auditors and authorising Directors to fix their remuneration			
Special Business				
8.	Authority to issue Shares under the ComfortDelGro Executive Share Award Scheme			
9.	Renewal of Share Buyback Mandate			

Dated this _____ day of _____ 2020.

Total Number of Shares Held in(Note 1) :		No. of Shares
(a)	CDP Register	
(b)	Register of Members	

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. A member should insert the total number of shares held. If the member has shares entered against his/her name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she should insert that number of shares. If the member has shares registered in his/her name in the Register of Members of the Company, he/she should insert that number of shares. If the member has shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, he/she should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the Shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of Shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter. 50 of Singapore.
3. A proxy need not be a member of the Company.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Annual General Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Annual General Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 205 Braddell Road, Singapore 579701 not less than 72 hours before the time set for the Annual General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument. In addition, in the case of shares entered in the Depository Register, the Company may reject the instrument appointing a proxy or proxies if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

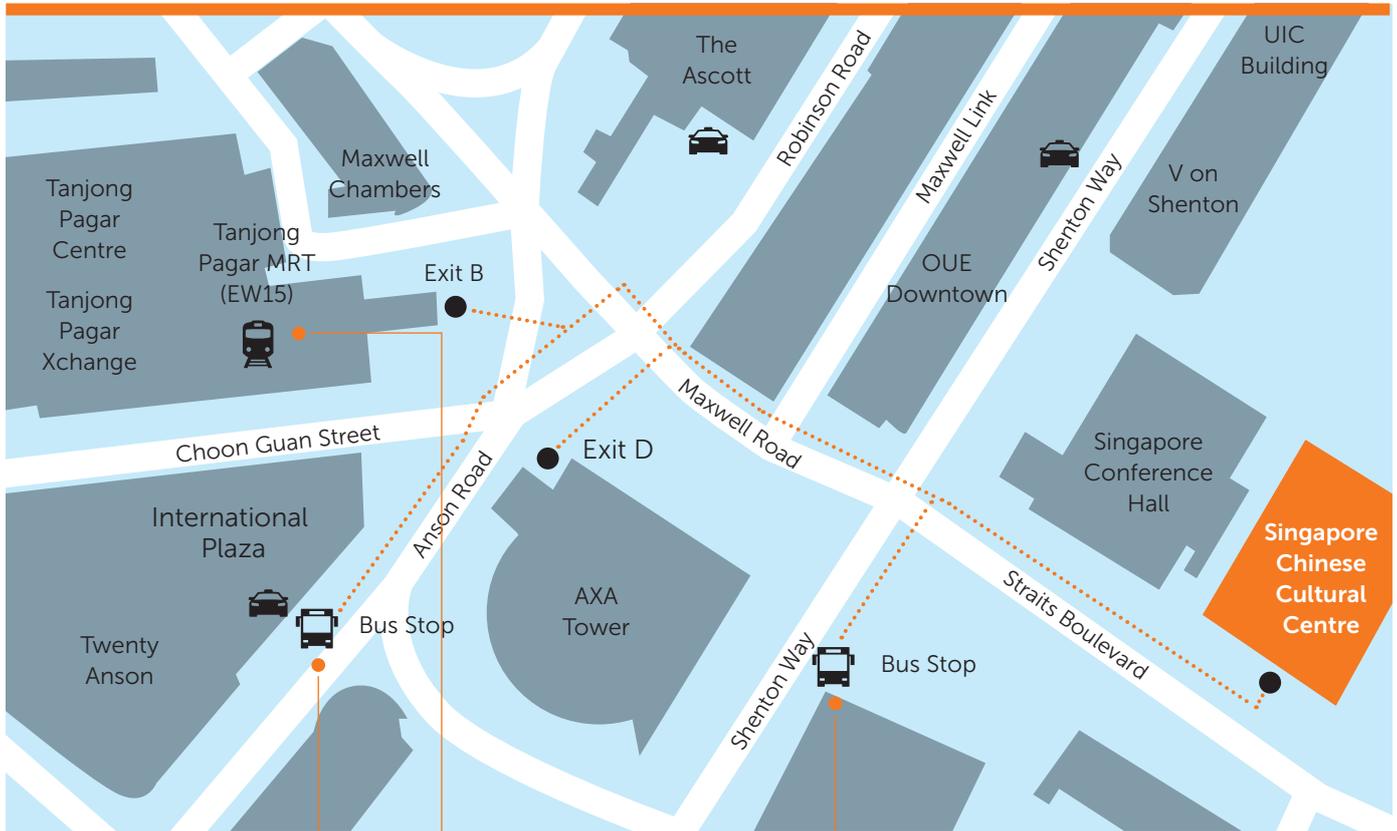
Affix
postage
stamp

THE COMPANY SECRETARY
ComfortDelGro Corporation Limited
205 Braddell Road
Singapore 579701

This flap is for sealing. Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.

Glue all sides firmly. Stapling and spot sealing are disallowed.



**BY BUS:
TANJONG PAGAR
STN EXIT C (03223)**

Bus 57, 131, 167, 167e,
186, 400, 700,
970, 971E

About a 10-minute walk
from the bus stop

**BY MRT:
Tanjong Pagar (EW15)**

About a 7-minute walk from
Exit B or D

**BY BUS:
Opposite AXA Tower (03217)**

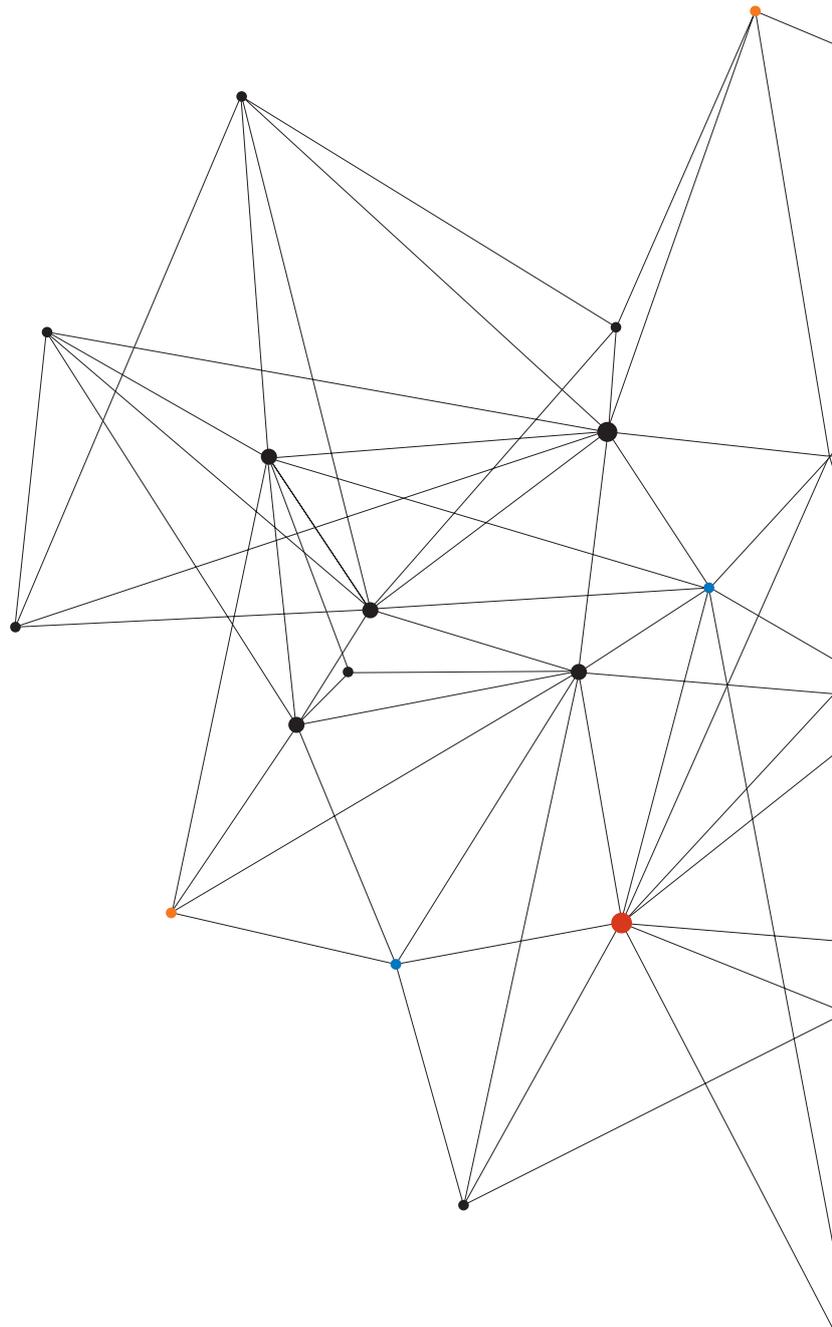
Bus 10, 10e, 57, 97, 97e, 100, 131,
502, 971E, 982E

About a 5-minute walk
from the bus stop

**PLEASE NOTE THAT THIS YEAR'S
ANNUAL GENERAL MEETING WILL BE HELD AT:**

AUDITORIUM
SINGAPORE CHINESE CULTURAL CENTRE
1 STRAITS BOULEVARD
SINGAPORE 018906





ComfortDelGro Corporation Limited

205 Braddell Road
Singapore 579701

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Company Registration No. 200300002K