CONTENTS

The Directors present their statement together with the audited Consolidated Financial Statements of the Group for the financial year ended 31 December 2017 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2017.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 87 to 157 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1 DIRECTORS

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

Lim Jit Poh	(Chairman)
Yang Ban Seng	(Appointed as Managing Director/Group Chief Executive Officer on 1 May 2017)
Lee Khai Fatt, Kyle	(Appointed on 1 May 2017)
Ong Ah Heng	
Oo Soon Hee	
Sum Wai Fun, Adeline	
Tham Ee Mern, Lilian	(Appointed on 1 August 2017)
Wang Kai Yuen	
Wong Chin Huat, David	

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraphs 3 and 4 of the Directors' Statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and its related corporations as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50, except as follows:

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

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

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

4 SHARE OPTIONS

(A) Share options of the Company

(i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the CDG ESOS. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Wang Kai Yuen (Chairman), Lim Jit Poh, Ong Ah Heng (appointed as a Member on 1 May 2017) and Wong Chin Huat, David.

(ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is $1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.

(iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and lapsed during the financial year and options outstanding as at 31 December 2017 were as follows:

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

4 SHARE OPTIONS (cont'd)

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

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

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

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

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

(v) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.

(vi) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2017.

(B) Share options of subsidiaries

(a) SBS Transit Ltd ("SBST")

(i) At the end of the financial year, there were 1,040,000 unissued shares of SBS Transit Ltd under option relating to the SBS Transit Share Option Scheme (the "SSOS"). The SSOS expired on 8 June 2010 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the SSOS and the respective grants. Details and terms of the share options and SSOS have been disclosed in the Directors' Statement of SBS Transit Ltd.

(ii) There were no share options granted to Directors of the Company during the financial year. Details of the SSOS options since the commencement of the SSOS were as follows:

	Number of options to subscribe for ordinary shares			
Director	**Aggregate options granted since the commencement to 31 December 2017**	**Aggregate options exercised since the commencement to 31 December 2017**	**Aggregate options lapsed since the commencement to 31 December 2017**	**Aggregate options outstanding at 31 December 2017**
Lim Jit Poh	780,000	480,000	300,000	–

5 AUDIT AND RISK COMMITTEE

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

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

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

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

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

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

6 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Yang Ban Seng
Managing Director/Group Chief Executive Officer

Singapore
13 February 2018

Report on the Audit of the Financial Statements

Opinion
We have audited the accompanying Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the Statements of Financial Position of the Group and the Company as at 31 December 2017, and the Income Statement, Comprehensive Income Statement, Statement of Changes in Equity and Cash Flow Statement of the Group and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 87 to 157.

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

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

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

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

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

Our audit procedures included critically challenging the key assumptions on growth rates and discount rates used by Management in the impairment review. We also performed sensitivity analysis around the key inputs including growth rates and discount rates used in the cash flow forecasts. We compared the growth rates to recent business performance, trend analysis and the growth rate for the relevant country. For the discount rate, we compared it to the weighted average cost of capital. We found Management's key assumptions to be within the reasonable range of our expectations.

Valuation and completeness of provision for accident claims
The valuation and completeness of provisions for settlement of accident claims involves estimation uncertainty (Note 3). Management considers the probability and amount of the expected settlement claims based on the number of claims lodged, recent settlements, third party settlement data and accident claims statistics in determining the provision for accident claims as disclosed in Note 19 to the Financial Statements.

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

DELOITTE & TOUCHE LLP
Public Accountants and
Chartered Accountants
Singapore

13 February 2018

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

See accompanying notes to the Financial Statements.

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

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

See accompanying notes to the Financial Statements.

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

See accompanying notes to the Financial Statements.

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

See accompanying notes to the Financial Statements.

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

See accompanying notes to the Financial Statements.

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

See accompanying notes to the Financial Statements.

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

See accompanying notes to the Financial Statements.

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

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

See accompanying notes to the Financial Statements.

1 GENERAL

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

ADOPTION OF NEW AND REVISED FINANCIAL STANDARDS – In the current financial year, the Group has adopted all the new and revised FRSs that are relevant to its operations and effective for annual periods beginning on 1 January 2017.

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

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

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

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

SFRS(I) 15	–	*Revenue from Contracts with Customers (with classifications issued)*[1]
SFRS(I) 16	–	*Leases*[2]
SFRS(I) INT 22	–	*Foreign Currency Transactions and Advance Consideration*[1]

1 Applies to annual periods beginning on or after 1 January 2018, with early application permitted.
2 Applies to annual periods beginning on or after 1 January 2019, with early application permitted, if SFRS(I) 15 is adopted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

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

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

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination (see below) and the non-controlling interests' share of changes in equity since the date of the combination. Losses are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Statement of Financial Position of the Company, investments in subsidiaries and associates are carried at cost less any impairment in net recoverable value that has been recognised in Profit or Loss.

BUSINESS COMBINATIONS – The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group to the former owners of the acquiree in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 *Business Combinations* are recognised at their fair values at the acquisition date except for deferred tax assets or liabilities which are recognised and measured in accordance with FRS 12 *Income Taxes*. Acquisition-related costs are recognised in Profit or Loss as incurred.

The interest of the non-controlling shareholders in the acquiree is initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Cash and cash equivalents

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

Investments

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

Classification of financial assets

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation at FVTOCI is not permitted if the equity instrument is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value including any foreign exchange difference are recognised in Other Comprehensive Income. Such equity investments are not subject to impairment requirements. The amounts recognised in Other Comprehensive Income are not subsequently reclassified to Profit or Loss on disposal of the equity instruments.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in bonds at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, any gains or losses on such a financial asset are recognised in Other Comprehensive Income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised. When the financial asset is derecognised the cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from equity to Profit or Loss for the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Trade and other receivables

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

Provision for impairment of financial assets

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

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

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

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivables from the date credit was initially granted up to the reporting date and expected credit losses as at end of the reporting year. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the rate of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, where relevant.

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

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

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

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Borrowings

Interest-bearing loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised in Profit or Loss over the term of the borrowings.

Trade and other payables

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Hedging instruments and hedge accounting

The Group continues to apply FRS 39 *Financial Instruments* and uses hedging instruments to manage its exposure to fuel price fluctuation, interest rate and foreign exchange rate risks. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy (see Note 32).

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

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

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

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

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

Note 32(b) contains details of the fair values of the hedging instruments.

Fair value hedge

Changes in the fair value of hedging instruments that are designated and qualify as fair value hedges are recorded in Profit or Loss immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in Profit or Loss. Amounts recognised in Other Comprehensive Income are taken to Profit or Loss when the hedged item is realised.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The Group as lessee

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

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

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

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

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

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

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

	Number of years
Buses	8 to 25
Leasehold bus depots	Over the period of the lease
Leasehold land and buildings	Over the period of the lease
Freehold buildings	50
Taxis and motor vehicles for rental	5 to 8
Computers and automated equipment	1 to 6
Workshop machinery, tools and equipment	2 to 20
Motor vehicles	3 to 15
Furniture, fittings and equipment	2 to 7

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

On disposal of an item of vehicles, premises and equipment, the difference between the sales proceeds and its carrying amount is recognised in Profit or Loss.

Fully depreciated vehicles, premises and equipment still in use are retained in the Financial Statements.

Assets held under finance lease arrangements are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessees will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

ASSOCIATES – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with FRS 105. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the Profit or Loss and Other Comprehensive Income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in Profit or Loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

INTANGIBLE ASSETS

Intangible assets acquired separately

Taxi licences acquired separately are recorded at cost less accumulated amortisation and any accumulated impairment losses. Taxi licences with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting year, with the effect of any changes in estimate being accounted for on a prospective basis. Taxi licences with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

Intangible assets acquired in a business combination

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

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

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

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the provision for impairment is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. A provision for impairment recognised for goodwill is not reversed in a subsequent period.

On divestment of a subsidiary, the attributable amount of goodwill is included in the determination of the Profit or Loss on divestment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL – At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the provision for impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. A provision for impairment is recognised immediately in Profit or Loss.

Where provision for impairment subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no provision for impairment been recognised for the asset (cash-generating unit) in prior years. A reversal of provision for impairment is recognised immediately in Profit or Loss.

FUEL PRICE EQUALISATION ACCOUNT – At the direction of the Public Transport Council ("PTC"), a fuel price equalisation account ("FPEA") has been set up to account for diesel price and electricity tariff adjustment charge for the purpose of mitigating the effects of any increase in fuel price and electricity tariff.

Annual contributions to the FPEA may be required as determined by the PTC, based on the reference electricity tariff and diesel price for the year.

Applications can be made to the PTC to seek approval for a draw down as may be catered for by the purpose of the FPEA mechanism, provided that the amount drawn does not exceed half of the available FPEA balance.

PROVISION FOR ACCIDENT CLAIMS – Claims for accident, public liability and others are provided in the Financial Statements based on the claims outstanding and the estimated amounts payable.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

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

DEFERRED INCOME – Deferred income comprises of:

(i) The deferred grants relating to the net present value of the grant income from the transport regulators in Australia for the acquisition of new buses that is amortised to Profit or Loss over the useful lives of the assets.

(ii) Advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

SERVICE BENEFITS – These comprise the following:

(i) **Retirement Benefits** – Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, retirement benefit subject to a maximum of $3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service. Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

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

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

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

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

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grant will be received. Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the Statement of Financial Position and transferred to Profit or Loss on a systematic and rational basis over the useful lives of the related assets.

Government grants in relation to expenses incurred are recognised as other operating income in the period which they become receivable.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

BORROWING COSTS – Borrowing costs incurred to finance the purchase of assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in Profit or Loss in the period in which they are incurred.

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

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

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

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in Other Comprehensive Income and accumulated in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of a foreign operation and translated at the closing rate.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

In the application of the Group's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Management is of the opinion that any instances of applications of judgements are not expected to have a significant effect on the amounts recognised in the Financial Statements (apart from those involving estimations, which are dealt with below).

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements and key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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

Provisions

(i) Accident claims

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

(ii) Insurance premium payable

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

(iii) Retirement benefits and long service awards

For certain subsidiaries, retirement benefit subject to a maximum of $3,000 is payable to a retiring employee on or after attaining the retirement age and on completion of at least five years of service. Provision for retirement benefits is made based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at the end of each reporting year and after taking into account an estimated attrition rate. The estimated attrition rate used is based on Management's best estimate of the respective subsidiaries' attrition rate, based on past experience.

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

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

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

Impairment review of taxi vehicles, taxi licences and goodwill

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

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

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

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

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

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

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

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

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

Useful lives of vehicles, premises and equipment

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

4 SHORT-TERM DEPOSITS AND BANK BALANCES

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

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

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

5 TRADE RECEIVABLES

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

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

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

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

Movements in allowance for expected credit losses:

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

6 OTHER RECEIVABLES AND PREPAYMENTS

	The Group		The Company	
	2017 $'mil	2016 $'mil	2017 $'mil	2016 $'mil
Prepayments	69.4	72.3	0.3	0.4
Downpayments for the purchase of vehicles, premises and equipment	3.3	2.6	–	–
Interest receivable	3.4	3.9	0.1	0.3
Security and tender deposits	2.0	1.6	–	–
Grant receivables (Note 11)	28.7	26.5	–	–
Retirement benefits assets (Note 20 (c))	3.2	–	–	–
Due from subsidiaries	–	–	23.5	22.7
Others	91.9	48.8	1.4	1.9
Total	201.9	155.7	25.3	25.3
Analysed as:				
Current	195.2	152.7	5.5	5.4
Non-current	6.7	3.0	19.8	19.9
Total	201.9	155.7	25.3	25.3

6 OTHER RECEIVABLES AND PREPAYMENTS (cont'd)

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

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

7 INVENTORIES

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

8 SUBSIDIARIES

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

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

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

8 SUBSIDIARIES (cont'd)

Principal activity	Place of incorporation and operation	Number of non wholly–owned subsidiaries 2017	2016
Investment holding	Australia	–*	3
Bus and rail	Singapore	1	1
Bus	United Kingdom	2	2
Bus	Australia	–*	14
Rail	Singapore	1	1
Bus station	China	1	1
Driving centre	Singapore	1	1
Driving centre	China	3	3
Inspection and testing services	Singapore	5	5
Inspection and testing services	Malaysia	1	1
Inspection and testing services	China	2	2
Inspection and testing services	United Arab Emirates	1	1
Taxi	Singapore	2	2
Taxi	China	7	7
Taxi	United Kingdom	–*	11
Taxi	Vietnam	2	2
Automotive engineering services	Australia	1	1

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

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

9 ASSOCIATES

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

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

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

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

10 INVESTMENTS

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

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

11 GRANT RECEIVABLES

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

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

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

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

12 VEHICLES, PREMISES AND EQUIPMENT

	Buses $'mil	Leasehold land and building* $'mil	Other leasehold land and buildings $'mil	Freehold land and buildings $'mil
The Group				
Cost or valuation*:				
At 1 January 2016	2,252.9	48.6	372.3	179.8
Additions	78.0	–	2.1	4.7
Disposals	(83.7)	–	(3.9)	–
Transfers from capital projects in progress	1.3	–	3.8	0.7
Revaluation	–	15.2	–	–
Exchange differences	(68.7)	–	(7.0)	(7.5)
At 31 December 2016	2,179.8	63.8	367.3	177.7
Additions	118.2	–	6.5	7.6
Disposals	(34.2)	–	(1.1)	(1.2)
Reclassifications/Transfers from capital projects in progress	12.1	–	0.1	15.2
Exchange differences	4.8	–	(0.7)	0.2
At 31 December 2017	2,280.7	63.8	372.1	199.5
Accumulated depreciation and impairment:				
At 1 January 2016	797.9	23.8	233.8	15.9
Depreciation	130.6	2.7	11.9	1.8
Impairment loss	–	–	–	–
Disposals	(83.3)	–	(0.5)	–
Revaluation	–	(25.0)	–	–
Exchange differences	(30.4)	–	(3.1)	(2.0)
At 31 December 2016	814.8	1.5	242.1	15.7
Depreciation	145.3	4.7	11.8	2.1
Impairment loss	–	–	–	–
Disposal	(32.6)	–	(1.0)	–
Exchange differences	2.0	–	(0.3)	0.1
At 31 December 2017	929.5	6.2	252.6	17.9
Carrying amount:				
At 31 December 2017	1,351.2	57.6	119.5	181.6
At 31 December 2016	1,365.0	62.3	125.2	162.0

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

	Taxis and motor vehicles for rental $'mil	Computers and automated equipment $'mil	Workshop machinery, tools and equipment $'mil	Motor vehicles $'mil	Furniture, fittings and equipment $'mil	Capital projects in progress $'mil	Total $'mil
	1,746.8	234.2	156.0	32.6	41.1	38.2	5,102.5
	307.1	21.5	23.7	2.6	3.0	23.8	466.5
	(245.0)	(9.0)	(5.5)	(2.1)	(1.6)	(19.9)	(370.7)
	17.2	9.7	4.8	–	–	(37.5)	–
	–	–	–	–	–	–	15.2
	(9.8)	(10.4)	(4.1)	(0.1)	(0.2)	(0.7)	(108.5)
	1,816.3	246.0	174.9	33.0	42.3	3.9	5,105.0
	181.6	10.3	37.3	2.9	2.8	26.4	393.6
	(432.4)	(36.3)	(2.5)	(1.8)	(0.8)	–	(510.3)
	4.1	5.0	(18.0)	–	–	(18.5)	–
	(4.8)	0.7	0.2	–	(0.2)	–	0.2
	1,564.8	225.7	191.9	34.1	44.1	11.8	4,988.5
	838.6	198.0	112.6	16.6	31.2	–	2,268.4
	213.7	15.1	12.7	3.4	2.6	–	394.5
	2.5	–	–	–	–	–	2.5
	(196.4)	(8.5)	(5.1)	(1.8)	(1.5)	–	(297.1)
	–	–	–	–	–	–	(25.0)
	(5.2)	(8.7)	(3.5)	(0.1)	(0.1)	–	(53.1)
	853.2	195.9	116.7	18.1	32.2	–	2,290.2
	207.3	16.6	13.8	3.6	2.7	–	407.9
	1.3	–	–	–	–	–	1.3
	(361.1)	(34.4)	(2.3)	(1.6)	(0.7)	–	(433.7)
	(2.4)	0.5	0.3	–	–	–	0.2
	698.3	178.6	128.5	20.1	34.2	–	2,265.9
	866.5	47.1	63.4	14.0	9.9	11.8	2,722.6
	963.1	50.1	58.2	14.9	10.1	3.9	2,814.8

12 VEHICLES, PREMISES AND EQUIPMENT (cont'd)

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

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

	Leasehold bus depots $'mil	Leasehold buildings $'mil	Computers and automated equipment $'mil	Motor vehicles $'mil	Furniture, fittings and equipment $'mil	Total $'mil
The Company						
Cost:						
At 1 January 2016	7.6	53.1	4.9	0.4	8.0	74.0
Additions	–	–	0.4	0.4	0.4	1.2
Disposals	–	(0.1)	–	(0.4)	(0.2)	(0.7)
At 31 December 2016	7.6	53.0	5.3	0.4	8.2	74.5
Additions	–	0.2	0.4	0.3	0.7	1.6
Disposals	–	–	(1.2)	–	(0.1)	(1.3)
At 31 December 2017	7.6	53.2	4.5	0.7	8.8	74.8
Accumulated depreciation:						
At 1 January 2016	7.6	45.5	4.1	0.2	7.1	64.5
Depreciation	–	1.7	0.4	0.1	0.2	2.4
Disposals	–	(0.1)	–	(0.2)	(0.1)	(0.4)
At 31 December 2016	7.6	47.1	4.5	0.1	7.2	66.5
Depreciation	–	1.7	0.5	0.1	0.3	2.6
Disposals	–	–	(1.2)	–	–	(1.2)
At 31 December 2017	7.6	48.8	3.8	0.2	7.5	67.9
Carrying amount:						
At 31 December 2017	–	4.4	0.7	0.5	1.3	6.9
At 31 December 2016	–	5.9	0.8	0.3	1.0	8.0

13 TAXI LICENCES

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

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

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

14 GOODWILL

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

Goodwill acquired in a business combination is allocated at acquisition, to the cash-generating units ("CGUs") that are expected to benefit from that business combination.

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

15 DEFERRED TAX ASSETS/LIABILITIES

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

The balances in the accounts comprise the tax effects of:

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

16 BORROWINGS

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

16 BORROWINGS (cont'd)

(a) Short-term loans

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

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

(b) Long-term loans

	The Group	
	2017 $'mil	2016 $'mil
Bank loans - secured	38.3	49.1
Bank loans - unsecured	175.0	66.6
Loan from a non-controlling shareholder of a subsidiary - unsecured	–	19.7
Total	213.3	135.4
Less: Amount due for settlement within 12 months (shown as current liabilities):		
Bank loans - secured	(20.1)	(10.7)
Bank loans - unsecured	(50.0)	(0.3)
Total	(70.1)	(11.0)
Amount due for settlement after 12 months	143.2	124.4

	The Group	
	2017 $'mil	2016 $'mil
The borrowings are repayable as follows:		
On demand or within one year	70.1	11.0
In the second year	18.2	86.5
In the third year	125.0	18.2
After five years	–	19.7
	213.3	135.4

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

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

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

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

16 BORROWINGS (cont'd)

(c) Medium Term Notes

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

(i) In 2012, a subsidiary issued $150.0 million 5-year fixed rate unsecured Series 002 notes due in September 2017. The notes bore an interest rate of 1.80% per annum payable on a semi-annual basis. The notes had been fully repaid during the financial year.

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

(d) Finance lease obligations

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

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

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

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

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

17 TRADE AND OTHER PAYABLES

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

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

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

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

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

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

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

18 DEFERRED GRANTS

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

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

19 INSURANCE PREMIUMS PAYABLE AND PROVISION FOR ACCIDENT CLAIMS

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

The balance comprises provision for:

Insurance premiums	3.2	6.6
Accident claims	59.0	59.2
	62.2	65.8

The insurance premiums payable and provision for accident claims represent the estimated amount which certain subsidiaries will have to pay to outside parties for insurance premiums and accident claims involving the Group's vehicles (Note 3).

20 OTHER LIABILITIES

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

(a) Deposits received

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

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

20 OTHER LIABILITIES (cont'd)

(b) Provision for service benefits and long service awards

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

(c) Retirement benefits obligations

A subsidiary provides pension arrangement to its employees through two defined benefit pension schemes, namely the Metroline Pension Scheme and the Metroline London Northern Pension Scheme (the "Pension Schemes"). In 2007, the employees of the Pension Schemes were transferred to a defined contribution pension scheme and the Pension Schemes ceased active accrual of benefits.

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

21 SHARE CAPITAL

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

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

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

22 OTHER RESERVES

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

Merger reserve represents the difference between the fair value of the share capital of the combining entities in a combination involving entities under common control at the date on which it was acquired by the Group and the fair value of the share capital issued as consideration of the acquisition.

Included in investment revaluation reserve is a cumulative amount of $60.6 million (2016 : $38.7 million) that upon disposal will not be reclassified subsequently to Profit or Loss.

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

23 REVENUE

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

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

24 STAFF COSTS

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

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

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

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

Share option schemes

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

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

(i) The Company

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

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

24 STAFF COSTS (cont'd)

(c) Share-based payments (included in staff costs) (cont'd)

(ii) SBS Transit Ltd

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

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

(iii) VICOM Ltd

	2017		2016	
	Number of share options	Weighted average exercise price $	Number of share options	Weighted average exercise price $
Outstanding at the beginning of the year	–	–	20,000	2.68
Exercised during the year	–	–	(20,000)	2.68
Outstanding at the end of the year	–	–	–	–
Exercisable at the end of the year	–	–	–	–

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

25 FINANCE COSTS

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

26 TAXATION

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

Domestic income tax is calculated at 17% (2016 : 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

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

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to $1.3 million (2016 : $4.5 million) and the resultant deferred tax benefits of $0.3 million (2016 : $1.1 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

27 PROFIT AFTER TAXATION

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

	The Group	
	2017 $'mil	2016 $'mil
Amortisation of taxi and other licences	0.9	1.5
Depreciation expense	407.9	394.5
Provision for impairment on vehicles (included in other operating costs)	1.3	2.5
Provision for impairment on goodwill (included in other operating costs)	-	1.7
Net gain on disposal of vehicles	(5.2)	(2.3)
Directors' fees	1.3	1.1
Audit fees:		
Auditors of the Company	0.5	0.5
Auditors of subsidiaries	0.7	0.7
Non-audit fees:		
Auditors of the Company	0.4	0.2
Auditors of subsidiaries	0.1	0.1

28 EARNINGS PER SHARE

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

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

For the purpose of calculating the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from share options.

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

29 SEGMENT INFORMATION

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

(a) Public transport services : Income is generated substantially from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operation of scheduled services, provision of coach rental services and ancillary advertisement income.

(b) Taxi : Income is generated through renting out taxis, operating taxi bureau services and ancillary advertisement income.

(c) Automotive engineering services : Income is generated through provision of vehicular maintenance and repair services, construction of specialised vehicles, assembly of bus bodies, crash repair services, engineering services and sale of diesel.

(d) Inspection and testing services : Income is generated through the provision of motor vehicle inspection services and provision of non-vehicle testing, inspection and consultancy services.

(e) Driving centre : Income is generated through operating driving schools.

(f) Car rental and leasing : Income is generated through renting and leasing of cars.

(g) Bus station : Income is generated mainly through commission income from fare collection.

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

Segment assets and liabilities: Segment assets include all operating assets used by a segment and consist principally of short-term deposits and bank balances, investments, operating receivables, inventories, taxi licences, goodwill and vehicles, premises and equipment, net of allowances and provisions. Capital additions include the total cost incurred to acquire vehicles, premises and equipment and intangible assets directly attributable to the segment. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals, deferred grants, deposits, provisions and borrowings.

Inter-segment transfers: Segment revenue and expenses include transfers between business segments. Inter-segment sales are based on prices as determined between the parties. These transfers are eliminated on consolidation.

29 SEGMENT INFORMATION (cont'd)

(i) Business Segments

	Public transport services $'mil	Taxi $'mil	Automotive engineering services $'mil	Inspection and testing services $'mil	Driving centre $'mil	Car rental and leasing $'mil	Bus station $'mil	Elimination $'mil	Total $'mil
Financial Year 2017									
REVENUE									
External sales	2,391.4	1,208.7	171.1	100.7	42.0	31.4	25.6	–	3,970.9
Inter-segment sales	1.4	–	112.3	3.3	0.2	0.1	–	(117.3)	–
TOTAL	2,392.8	1,208.7	283.4	104.0	42.2	31.5	25.6	(117.3)	3,970.9
RESULT									
Operating Profit	179.0	135.1	33.9	32.6	9.8	6.9	11.9	–	409.2
Net Income from Investments									22.4
Finance Costs									(10.8)
Share of Profit in Associate									4.6
Profit before Taxation									425.4
Taxation									(76.5)
Profit after Taxation									348.9
Non-Controlling Interests									(47.4)
Profit Attributable to Shareholders of the Company									301.5
OTHER INFORMATION									
Additions to vehicles, premises and equipment	164.9	188.1	1.3	4.3	2.1	30.8	2.1	–	393.6
Depreciation expense	170.7	212.0	2.1	6.5	2.0	12.9	1.7	–	407.9
Amortisation expense	–	0.9	–	–	–	–	–	–	0.9
Provision for impairment loss recognised in Income Statement	–	1.3	–	–	–	–	–	–	1.3
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Segment assets	2,323.5	1,173.9	50.1	61.4	21.7	82.9	18.3	–	3,731.8
Goodwill	381.4	31.4	–	13.5	0.5	1.5	–	–	428.3
Associates									9.0
Cash, fixed deposits, equities and bonds									635.3
Deferred tax assets									23.3
Consolidated total assets									4,827.7
LIABILITIES									
Segment liabilities	832.3	214.1	34.5	22.8	13.9	10.2	29.1	–	1,156.9
Borrowings									322.3
Income tax payable									52.2
Deferred tax liabilities									258.5
Consolidated total liabilities									1,789.9

29 SEGMENT INFORMATION (cont'd)

(i) Business Segments (cont'd)

	Public transport services $'mil	Taxi $'mil	Automotive engineering services $'mil	Inspection and testing services $'mil	Driving centre $'mil	Car rental and leasing $'mil	Bus station $'mil	Elimination $'mil	Total $'mil
Financial Year 2016									
REVENUE									
External sales	2,307.3	1,340.8	204.8	103.7	39.7	36.3	26.9	–	4,059.5
Inter-segment sales	1.8	–	125.7	3.4	0.3	0.1	–	(131.3)	–
TOTAL	2,309.1	1,340.8	330.5	107.1	40.0	36.4	26.9	(131.3)	4,059.5
RESULT									
Operating Profit	178.3	167.5	50.7	34.8	10.6	8.1	12.2	–	462.2
Net Income from Investments									13.9
Finance Costs									(14.4)
Share of Profit in Associate									4.9
Profit before Taxation									466.6
Taxation									(88.2)
Profit after Taxation									378.4
Non-Controlling Interests									(61.3)
Profit Attributable to Shareholders of the Company									317.1
OTHER INFORMATION									
Additions to vehicles, premises and equipment	113.7	326.5	0.5	4.2	1.2	20.0	0.4	–	466.5
Additions to taxi licences	–	0.5	–	–	–	–	–	–	0.5
Depreciation expense	152.6	216.1	2.2	6.7	2.2	12.8	1.9	–	394.5
Amortisation expense	–	1.5	–	–	–	–	–	–	1.5
Provision for impairment loss recognised in Income Statement	–	4.2	–	–	–	–	–	–	4.2
STATEMENT OF FINANCIAL POSITION									
ASSETS									
Segment assets	2,240.3	1,258.1	56.0	63.6	23.3	84.7	18.9	–	3,744.9
Goodwill	380.6	31.4	–	13.5	0.5	1.5	–	–	427.5
Associates									11.2
Cash, fixed deposits, equities and bonds									842.2
Deferred tax assets									23.6
Consolidated total assets									5,049.4
LIABILITIES									
Segment liabilities	839.2	245.4	51.5	21.3	15.2	11.5	27.4	–	1,211.5
Borrowings									345.1
Income tax payable									48.5
Deferred tax liabilities									252.2
Consolidated total liabilities									1,857.3

29 SEGMENT INFORMATION (cont'd)

(ii) Geographical Segments

	Revenue		Non-current assets*		Additions to non-current assets*	
	2017 $'mil	**2016 $'mil**	**2017 $'mil**	**2016 $'mil**	**2017 $'mil**	**2016 $'mil**
Geographical Location						
Singapore	2,483.3	2,545.9	1,741.6	1,897.4	213.8	340.9
United Kingdom / Ireland	875.4	923.9	497.2	438.5	95.8	63.9
Australia	423.6	385.5	795.5	776.4	54.3	31.4
China	179.2	192.4	317.0	330.5	29.1	28.1
Vietnam	6.8	8.9	7.5	12.8	0.1	2.4
Malaysia	2.6	2.9	4.0	4.4	0.5	0.3
Total	3,970.9	4,059.5	3,362.8	3,460.0	393.6	467.0

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

30 COMMITMENTS

As at 31 December 2017, the Group has the following commitments:

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

	The Group	
	2017 $'mil	**2016 $'mil**
Purchase of equipment	37.3	24.5
Purchase of buses, taxis and motor vehicles	66.2	135.3
Purchase of computer systems	6.0	9.6
Development of bus depots and properties	18.6	23.8
	128.1	193.2

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	The Group	
	2017 **$'mil**	**2016** **$'mil**
Minimum lease payment under operating leases recognised as expense in the year	42.3	44.5

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

	The Group		The Company	
	2017 **$'mil**	**2016** **$'mil**	**2017** **$'mil**	**2016** **$'mil**
Within one year	29.7	36.6	3.5	3.3
In the second to fifth year inclusive	61.1	72.4	2.9	6.1
After five years	48.6	50.4	–	–
Total	139.4	159.4	6.4	9.4

Leases are negotiated for average terms ranging from 1 year to 43 years and rental is fixed ranging from 1 year to 13 years.

The Group as lessor

The Group rents out certain of its properties and vehicles in Singapore, United Kingdom and China under operating leases. Rental income earned during the year was $189.5 million (2016 : $207.5 million).

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

	The Group	
	2017 **$'mil**	**2016** **$'mil**
Within one year	171.0	185.4
In the second to fifth year inclusive	340.4	354.6
After five years	30.3	19.5
Total	541.7	559.5

32 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Financial risk management policies and objectives

The main areas of financial risk faced by the Group are foreign exchange rate risk, interest rate risk, credit risk, liquidity risk and fuel price risk. The Group recognises that management of financial risk is an important aspect in its drive towards creating shareholders' value. It is the Group's policy not to participate in speculative financial instruments. Management oversees financial risk management and regularly reviews its policy governing risk management practices.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures these risks.

(i) Foreign exchange risk management

The Group manages its foreign exchange exposure by matching revenue and costs in the relevant currencies to create a natural hedge and also through active currency management using hedging instruments such as forwards and options where necessary. The Group's revenue is mainly denominated in Singapore Dollar ("SGD") with the remaining in Great British Pound ("GBP"), Renminbi ("RMB"), Australian Dollar ("AUD"), Euro ("EUR"), Malaysian Ringgit ("MYR") and Vietnamese Dong ("VND"). On the cost side, its foreign currency exposures include United States Dollar ("USD"), GBP, RMB, AUD, Swedish Kroner ("SEK"), EUR, MYR and VND. The Group has investments in the United Kingdom, China, Australia, Ireland, Malaysia and Vietnam. Net translation risks are regularly monitored and the Group currently does not seek to hedge this exposure as it does not impact cash flows.

Foreign currency sensitivity

The bulk of the Group's foreign currency exposures are in the functional currencies of its respective operations. Exposures to foreign currencies that are non-functional are actively managed as part of the overall foreign exchange risk management. Based on sensitivity analysis performed, Management has assessed that the exposure to changes in foreign exchange rates arising from assets and liabilities denominated in non-functional currencies of entities in the Group is minimal.

(ii) Interest rate risk management

The Group's primary interest rate risk relates to its borrowings, investments in fixed income securities and deposits. The Group uses hedging instruments such as interest rate swaps and caps, where necessary, to achieve the desired interest rate profile in its effort to manage interest rate risk. The Group may borrow at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates.

Interest rate sensitivity

The Group has interest-bearing assets such as fixed income securities and deposits as well as interest-bearing liabilities. Any change in interest rate affecting the interest-bearing assets shall have an offsetting impact from the interest-bearing liabilities. Based on sensitivity analysis performed at the end of the reporting year, Management has assessed that the exposure to changes in interest rates is minimal and hence the resulting impact on the profit or other comprehensive income of the Group is insignificant.

(iii) Credit risk management

The Group has minimal credit risk arising from its commuter transport operations as the majority of revenue is collected in cash upfront or from the transport regulator in the case of Singapore, United Kingdom and Australia. For the other operations, credit risk is also minimised via upfront deposits, strict credit terms and regular monitoring of debtors' financial standing. The Group enters into treasury transactions only with creditworthy institutions. Its investments in fixed income instruments are above investment grade as assigned by international credit-rating agencies. In its management of credit risk, the Group practises stringent credit review and sets counterparty credit limits. There is no significant concentration of credit risk.

Cash and deposits are kept with reputable financial institutions. There is no significant concentration of credit risk.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk as disclosed in the notes to the Financial Statements.

32 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(a) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk management

The Group funds its operations through a mix of internal funds, bank borrowings and issuance of notes in the capital market. It regularly reviews its liquidity position comprising free cash flows from its operations, credit lines from banks and its Medium Term Note ("MTN") Programme to ensure its ability to access funding at any time at the best possible rates.

(v) Fuel price risk management

Fuel, comprising diesel and electricity, is part of the operating costs of the Group. The Group is also exposed to fluctuations in fuel price in its bus and rail operations and diesel sales business. The Group seeks to hedge the price risk associated with its fuel needs after considering fuel indexation in its contracts with various local authorities and uses hedging instruments, where necessary, to achieve the desired hedge outcome.

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting year, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting year as a basis will impact the Group's annual fuel and electricity costs by $0.6 million (2016 : $0.6 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2017.

(vi) Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the Financial Statements.

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

a. quoted prices in active markets for identical assets or liabilities (Level 1);

b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and

c. inputs for the asset or liability that are not based on observable market data (Level 3).

The majority of the fair value of the Group's investments are classified into Level 1. The Group's hedging instruments are classified into Level 2. None of the fair value of the financial instrument is classified in Level 3. There are also no transfers between Levels 1 and 2 of the fair value hierarchy during the financial year.

(b) Hedging instruments

The Group utilises hedging instruments to hedge significant future transactions and cash flows.

The Group's hedging instruments are measured at fair value whereby future cash flows are estimated based on contracted rates and observable forward rates at the end of the reporting year, discounted at a rate that reflects the credit risk of the various counterparties.

At the end of the reporting year, the Group has no outstanding fuel and foreign exchange hedges.

At the end of the prior year, the Group had outstanding fuel and foreign exchange hedges with notional amounts totalling $59.1 million.

The fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the prior year, comprised $0.4 million of assets was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income and $12.5 million of liabilities was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

The Group uses forward contracts and options to manage its exposure to foreign exchange risks. These arrangements are designed to address foreign exchange risk on future purchases of goods and are accounted for as cash flow hedges.

The Group uses fuel hedges to hedge against fuel price risks. These arrangements are designed to address fuel price exposure. The fuel hedges are accounted for as cash flow hedges.

32 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

(c) Capital risks management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Management monitors the gross and net gearing of the Group and its implication on weighted average cost of capital in deciding the optimal capital structure. These objectives determine the Group's decisions on the amount of dividends to be paid to shareholders and the sources of capital to be raised, be it equity or debt. The Group's debt capital refers to borrowings comprising loans under Notes 16(a) and 16(b), Medium Term Notes under Note 16(c) and finance lease payable under Note 16(d) while equity refers to total equity.

No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 2016.

(d) The following are the expected contractual undiscounted cash outflows (including interest payments) of the Group's financial liabilities:

		Contractual cash flows				
	Carrying Amount $'mil	**Total $'mil**	**Within 1 year $'mil**	**Within 2 to 5 years $'mil**	**Beyond 5 years $'mil**	**Effective interest rate %**
2017						
Financial liabilities						
Loans:						
In functional currencies	242.9	251.3	104.0	20.8	126.5	1.2% to 3.4%
Finance leases:						
In functional currencies	79.4	92.1	18.5	72.9	0.7	1.9% to 8.4%
Total	322.3	343.4	122.5	93.7	127.2	
2016						
Financial liabilities						
Loans:						
In functional currencies	285.4	294.0	166.6	107.6	19.8	1.4% to 3.4%
Finance leases:						
In functional currencies	59.7	75.4	12.5	57.1	5.8	6.2% to 8.4%
Total	345.1	369.4	179.1	164.7	25.6	

33 DIVIDENDS

(a) During the financial year, the Company paid dividends as follows:

	2017 $'mil	2016 $'mil
Tax-exempt one-tier final dividend in respect of the previous financial year:		
– 6.05 cents (2016 : 5.00 cents) per ordinary share	130.8	107.8
Tax-exempt one-tier interim dividend in respect of the current financial year:		
– 4.35 cents (2016 : 4.25 cents) per ordinary share	94.1	91.6
Total	224.9	199.4

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 6.05 cents per ordinary share totalling $130.9 million be paid for the financial year ended 31 December 2017. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax exempt one-tier interim dividend of 4.35 cents per ordinary share (2016 : 4.25 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2017 will be 10.40 cents per ordinary share (2016 : 10.30 cents per ordinary share).

34 LICENCE FOR RAIL SERVICES

North-East Line MRT System, Punggol LRT System and Sengkang LRT System

A licence dated 15 January 2003 was issued by Land Transport Authority ("LTA") to a subsidiary, SBS Transit Ltd ("SBST") under which SBST is licensed to operate the North-East MRT System, Punggol LRT System and the Sengkang LRT System (collectively referred to as the "Licensed Systems").

The licence sets out the conditions governing the operation of the Licensed Systems and includes, among others, the following:

(a) The licence is for an initial period of 30 years commencing 15 January 2003. SBST may apply to LTA to renew the licence for a further 30 years or any other period and upon terms and conditions as LTA may impose.

(b) The licence fee payable to LTA is prescribed under the subsidiary legislation of the Rapid Transit Systems ("RTS") Act during the Licence Term.

(c) SBST and LTA shall jointly review the viability on the 5th anniversary of the date of the licence or such other period as may be agreed in writing between SBST and LTA. In this review, LTA shall determine the dates and time of SBST's purchase of the operating assets of the Licensed Systems and the amount is based on the net book value as recorded in the latest audited accounts of LTA.

(d) SBST may apply in writing to LTA for a grant to replace any eligible operating assets computed based on the difference between the purchase cost of the new assets and the purchase cost of the operating assets to be replaced.

The main categories of eligible operating assets are trains, maintenance vehicles, power supply equipment, supervisory control system, escalators and lifts, platform screen doors, environmental control system, tunnel ventilation system, electrical service and fire protection system, signalling system, communication system, automatic fare collection system, depot workshop equipment, access management system and maintenance management system.

34 LICENCE FOR RAIL SERVICES (cont'd)

Downtown Line MRT System

A licence dated 19 December 2013 was issued by LTA to the subsidiary of SBST under which the subsidiary of SBST is licensed to operate the Downtown Line MRT System.

The licence sets out the conditions governing the operation of the Downtown Line MRT system and includes, among others, the following:

(a) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.

(b) The licence fee payable to LTA is prescribed under the subsidiary legislation of the RTS Act during the Licence Term.

(c) The subsidiary of SBST shall pay LTA a licence charge which consists of Fixed Charge and Revenue Share Charge. A yearly Fixed Charge is payable from financial year 2019 to end of licence period. If the Operating Surplus minus the Fixed Charge for a financial year is more than the Threshold Profit, the subsidiary of SBST shall pay Revenue Share Charge.

(d) After the commencement of revenue service of the last stage, the subsidiary of SBST shall pay LTA a Cash-Bid Amount if the Net Operating Surplus for a financial year is more than the Threshold Profit.

(e) All Operating Assets shall remain the property of LTA except for Spares, Special Tools, Non-Proprietary Items and End Devices purchased by the subsidiary of SBST during the Licence Term.

35 NEGOTIATED CONTRACT UNDER THE BUS CONTRACTING MODEL ("BCM")

A subsidiary, SBST entered into public bus services contracts (collectively known as the "Negotiated Contract") with LTA for the operation of public bus services under the BCM.

The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016.

SBST operates a total of 8 bus packages. The names of the packages and their respective contract periods in years are: Bukit Merah (2 years), Sengkang-Hougang (5 years), Tampines (8 years), Bishan-Toa Payoh (10 years), Serangoon-Eunos (9 years), Clementi (9 years), Bedok (7 years) and Jurong West (8 years). The contract period of the 8 bus packages averages about 7 years.

The 8 bus packages cover a total of 196 bus services, 5 bus depots, 3 bus parks, 13 bus interchanges and 14 bus terminals. The fleet size required to operate the 8 packages is around 2,900 buses. SBST leases its existing fleet of close to 2,900 buses to LTA. In consideration of SBST using its existing fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of SBST (bus depot and related equipment) based on the depreciation of such assets.

Under the BCM, the LTA retains all fare revenue collected from the provision of the bus services. Revenue for provision of bus services comprises service fee and leasing fee. The service fee is indexed to changes in wage levels, inflation and fuel costs. In addition, SBST retains revenue from other commercial services comprising advertising and rental.

35 NEGOTIATED CONTRACT UNDER THE BUS CONTRACTING MODEL ("BCM") (cont'd)

In addition to operating and managing bus services to specified performance standards, SBST's responsibilities include the following:-

(a) Operate, manage and maintain the buses and their on-board equipment;

(b) Operate, and maintain the bus interchanges, bus depots including the equipment and systems therein;

(c) Charge and collect fares as approved by the Public Transport Council, on behalf of LTA, for travel on the bus services;

(d) Provide bus service information at all bus stops and bus interchanges served by the bus services; and

(e) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

SBST was awarded the Seletar Bus Package in April 2017. The five-year contract can be extended by another two years. The bus package will commence operations from March 2018.

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of subsidiaries and associates are as follows:

(a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Quoted equity shares				
SBS Transit Ltd (17)	Provision of public bus and rail services	Singapore	74.62	74.82
VICOM Ltd (17)	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.06
Unquoted equity shares				
Braddell Limited (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
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Unquoted equity shares (cont'd)				
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100
SBS (Guangzhou) Pte Ltd	Inactive	Singapore	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100
CityFleet Networks Limited (3)	Provision and management of taxi booking services	United Kingdom	100	55.72
Swan Taxis Pty Ltd (3)	Provision of taxi services	Australia	100	100
ComfortDelGro Corporation Australia Pty Ltd (3) (20)	Investment holding and provision of management services	Australia	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiary of SBS Transit Ltd:				
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	74.62	74.82
Subsidiaries of VICOM Ltd:				
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.31	52.31
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.06	67.06
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.06	67.06
Subsidiaries of Setsco Services Pte Ltd:				
Setsco Services (M) Sdn Bhd [(1)]	Provision of testing, inspection and consultancy services	Malaysia	67.06	67.06
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.06	67.06
SETS Services DMCC [(16)]	Building inspection services	United Arab Emirates	67.06	67.06
Subsidiary of Comfort (China) Pte Ltd:				
Suzhou Comfort Taxi Co., Ltd [(2)]	Provision of taxi services	China	70	70

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiaries of Braddell Limited:				
ComfortDelGro Irish Citylink Limited [3]	Provision of coach services	Ireland	100	100
Metroline Limited [3]	Investment holding	United Kingdom	100	100
Metroline Rail Limited [23]	Inactive	United Kingdom	100	100
Scottish Citylink Coaches Limited [3]	Provision of long distance coach services	United Kingdom	65	65
Subsidiaries of Metroline Limited:				
Metroline Travel Limited [3]	Provision of public bus services	United Kingdom	100	100
Metroline West Limited [3]	Provision of public bus services	United Kingdom	100	100
Subsidiary of Scottish Citylink Coaches Limited:				
Megacity Limited [23]	Inactive	United Kingdom	65	65
Subsidiary of CityCab Pte Ltd:				
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92
Subsidiary of Moove Media Pte Ltd:				
Moove Media Australia Pty Ltd [7]	Provision of advertising services	Australia	100	100

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiaries of CityFleet Networks Limited:				
Computer Cab (Edinburgh) Limited [3]	Inactive	United Kingdom	100	55.72
Computer Cab plc [3]	Provision of taxi services	United Kingdom	100	55.72
Computer Cab (Aberdeen) Limited [3]	Provision of taxi services	United Kingdom	100	55.72
Flightlink International Limited [3]	Provision of private hire services	United Kingdom	100	55.72
Computer Cab (Birmingham) Limited [19]	Inactive	United Kingdom	–	55.72
Central Dispatch Limited [3]	Provision and management of taxi booking services	United Kingdom	100	55.72
Computer Cab (Liverpool) Limited [3]	Provision of taxi services	United Kingdom	100	55.72
Westbus Coach Services Limited [3]	Provision of coach services	United Kingdom	100	55.72
Subsidiary of Computer Cab (Edinburgh) Limited:				
Onward Travel Limited [3]	Inactive	United Kingdom	100	55.72
Subsidiary of Computer Cab plc:				
Cabcharge Limited [3]	Provision and management of taxi booking card facilities	United Kingdom	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiaries of ComfortDelGro (China) Pte Ltd:				
Beijing Jin Jian Taxi Services Co., Ltd (6)	Provision of public taxi services through the rental of taxis to hirers	China	55	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd (5)	Provision of motor vehicle evaluation and other related services	China	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd (8)	Operation of a driving school	China	95	95
Chengdu ComfortDelGro Taxi Co., Ltd (8)	Provision of public taxi services through the rental of taxis to hirers	China	100	100
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd (8)	Inactive	China	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd (9)	Operation of a driving school	China	90	90
CityCab (Shenyang) Co., Ltd (4)	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	100	100
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd (8)	Provision of cars for hire	China	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd (10)	Provision of bus station services	China	60	60

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiaries of ComfortDelGro (China) Pte Ltd (cont'd):				
Jilin ComfortDelGro Taxi Co., Ltd (11)	Provision of public taxi services through the rental of taxis to hirers	China	97	97
Nanjing ComfortDelGro Dajian Taxi Co., Ltd (15)	Provision of public taxi services through the rental of taxis to hirers and vehicle repair	China	70	70
Nanning Comfort Transportation Co., Ltd (12)	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Shanghai City Qi Ai Taxi Services Co., Ltd (14)	Provision of public taxi services through the rental of taxis to hirers	China	51	51
Shenyang ComfortDelGro Taxi Co., Ltd (4)	Provision of public taxi services through the rental of taxis to hirers	China	80	80
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:				
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd (8)	Inactive	China	100	100
Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:				
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd (9)	Inactive	China	90	90

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:				
CityLimo Leasing (M) Sdn Bhd (13)	Provision of car leasing services	Malaysia	100	100
Pantas Rent-A-Car Holdings Sdn Bhd (21)	Inactive	Malaysia	100	100
Vietnam Taxi Co., Ltd (3)	Provision of taxi services	Vietnam	70	70
ComfortDelGro Savico Taxi Company (3)	Provision of taxi services	Vietnam	60	60
Subsidiary of Swan Taxis Pty Ltd:				
ComfortDelGro Swan Pty Ltd (18)	Inactive	Australia	100	–
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd (20):				
Westbus Region 1 Pty Ltd (3)	Provision of public bus services	Australia	100	55.72
Westbus Region 3 Pty Ltd (3)	Provision of public bus services	Australia	100	55.72
Hillsbus Co Pty Ltd (3)	Provision of public bus services	Australia	100	55.72
Hunter Valley Buses Pty Ltd (3)	Provision of public bus services	Australia	100	55.72
Charterplus Pty Ltd (3)	Provision of charter, coach and terminal services	Australia	100	55.72
CDC Victoria Pty Ltd (3)	Investment holding	Australia	100	55.72
Baypalm Pty Limited (3)	Investment holding	Australia	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd [20] (cont'd):				
Blue Mountains Transit Pty Ltd [3]	Provision of public bus and charter services	Australia	100	55.72
Western Sydney Repair Centre Pty Ltd [3]	Provision of accident and other repair and maintenance services	Australia	51	28.42
Subsidiaries of CDC Victoria Pty Ltd:				
CDC Sunshine Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
CDC Geelong Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
CDC Oakleigh Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
CDC Werribee Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
CDC Altona Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
CDC Ballarat Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
CDC Eastrans Pty Ltd [3]	Provision of public bus services	Australia	100	55.72
Subsidiary of Baypalm Pty Limited:				
Qcity Transit Pty Ltd [3] [22]	Provision of public bus services	Australia	100	55.72

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Note:

All Singapore companies (except for SBS Guangzhou Pte Ltd) are audited by Deloitte & Touche LLP, Singapore except for certain subsidiaries as indicated below.

(1) Audited by WT Ng & Co, Malaysia.

(2) Audited by Jiangsu Gongzheng Tianye Certified Public Accountants Co., Ltd, China.

(3) Audited by overseas practices of Deloitte Touche Tohmatsu Limited.

(4) Audited by Reanda Certified Public Accountants (Special General Partnership) Liaoning Branch, China.

(5) Audited by Beijing Zhong Jia Run Certified Public Accountants Co., Ltd, China.

(6) Audited by Chong Zheng Tian Tong Certified Public Accountants Co., Ltd, China.

(7) Audited by LBW & Partners, Australia.

(8) Audited by Sichuan Gongming Certified Public Accountants Co., Ltd, China.

(9) Audited by Chongqing Tian Hua Certified Public Accountants Co., Ltd, China.

(10) Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.

(11) Audited by Jilin Hua Tai Certified Public Accountants Co., Ltd, China.

(12) Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.

(13) Audited by Bahudin & Associates, Malaysia.

(14) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.

(15) Audited by Ruihua Certified Public Accountants Co., Ltd, China.

(16) Audited by Ethics Plus Public Accountants, United Arab Emirates.

Other information

(17) Listed on the Singapore Exchange Securities Trading Limited.

(18) Incorporated during the financial year.

(19) Struck off during the financial year.

(20) Previously known as ComfortDelGro CabCharge Pty Ltd.

(21) In the process of being struck off.

(22) Previously known as Deanes Bus Lines Pty Limited.

(23) These subsidiaries are insignificant and unaudited.

36 CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)

(a) Subsidiaries (cont'd)

Compliance with Listing Rules:

The Group is in compliance with Listing Rules 712 and 715 of The Singapore Exchange Securities Trading Limited as suitable auditing firms have been appointed to meet the Group's audit obligations. In accordance to Rule 716, the Audit and Risk Committee and Board of Directors of the Company confirm that they are satisfied that the appointment of different auditors for its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

(b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest 2017 %	Group's effective interest 2016 %
Unquoted equity shares				
ComfortDelGro Insurance Brokers Pte Ltd (1)	Insurance broking, risk management, claims management and related activities	Singapore	49	49
Phillip Boyle & Associates Pty Ltd (2)	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49
Gobbler Pte Ltd (3)	Sales of goods bartered from the provision of advertising services	Singapore	40	40

Note:

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Audited by Complete Audit Pty Ltd, Australia. The associate is insignificant.

(3) The associate is insignificant and unaudited.

(c) Related company transactions

Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

37 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these Financial Statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

During the financial year, Group entities entered into the following trading transactions with related parties:

	The Group	
	2017 **$'mil**	**2016** **$'mil**
Expenses	1.2	0.6

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

38 EVENTS AFTER THE REPORTING YEAR

Acquisition of Lion City Rental Pte Ltd

The Company has entered into a sale and purchase agreement with Mieten B.V., a subsidiary of Uber Technologies, Inc. ("Uber") to acquire a 51% stake in its wholly-owned subsidiary in Singapore, Lion City Holdings Pte. Ltd., which in turn owns 100% of Lion City Rental Pte Ltd ("LCR"). LCR is a private hire vehicle fleet owner in Singapore with about 14,000 vehicles. The aggregate cash consideration for the above acquisition is estimated at S$295.0 million. The acquisition is currently under review by Competition Commission of Singapore.

New Rail Financing Framework

The Board of SBS Transit Ltd has approved the sale of certain operating assets of the North-East MRT System, Sengkang and Punggol LRT Systems to Land Transport Authority as part of the transition to the New Rail Financing Framework. These assets will be sold at their net book values estimated at S$28.8 million, subject to the approval of the relevant authorities.

Expansion of taxi business in Shenyang

The Group's two taxi subsidiaries in Shenyang, Shenyang ComfortDelGro Taxi Co., Ltd and CityCab (Shenyang) Co., Ltd, have acquired 217 taxi licences and vehicles from Shenyang Tian Wen Taxi Co., Ltd for a cash consideration of RMB71.6 million (approximately S$15.0 million). This will reinforce the Group's position as the largest taxi operator in Shenyang.

Acquisition of New Adventure Travel Limited in the United Kingdom

Braddell Limited, a wholly owned subsidiary of the Company, has entered into a sale and purchase agreement to acquire all the shares of New Adventure Travel Limited ("NAT Group"). NAT Group is a bus and coach company operating in the South Wales region of the United Kingdom. The purchase consideration for the above acquisition is estimated at £13.4 million (approximately S$25.0 million).

Acquisition of shares in ComfortDelGro Insurance Brokers Pte Ltd

The Company has entered into a sale and purchase agreement with Global East Investments Pte Ltd to acquire the remaining 51% stake in ComfortDelGro Insurance Brokers Pte Ltd ("CDGI") for a cash consideration of S$22.9 million. CDGI provides insurance broking, risk management, claims management and related services in Singapore. CDGI has become a wholly owned subsidiary of the Company.

39 GROUP PROPERTIES

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	100	Braddell Road	66,445 sq m	30 years 8 years 8 months unexpired	Head office, bus depot, vehicle workshop
SBS Transit Ltd	74.62	Soon Lee Road	26,670 sq m	30 years 12 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.62	Defu Ave 1	74,236 sq m	38 years from 1 January 1983 3 years unexpired	Bus depot
SBS Transit Ltd	74.62	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	74.62	Bukit Batok Street 23	52,187 sq m	43 years from 1 January 1983 8 years unexpired	Bus depot
SBS Transit Ltd	74.62	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	74.62	Ang Mo Kio Street 63	63,955 sq m	26 years from 1 March 1994 2 years 2 months unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 23 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years 9 years unexpired	Inspection, assessment services

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
VICOM Ltd	67.06	Bukit Batok Street 23	9,625 sq m	30 years from October 1995 with option to renew another 30 years 7 years 9 months unexpired	Inspection, testing and assessment services
VICOM Ltd	67.06	Changi North Crescent	6,015 sq m	30 years from May 1995 7 years 4 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from July 1983 25 years 6 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 25 years 6 months unexpired	Inspection services
Setsco Services Pte Ltd	67.06	Teban Gardens Crescent	9,830 sq m	30 years from February 2009 21 years 1 month unexpired	Testing, inspection and consultancy services
JIC Inspection Services Pte Ltd	52.31	Pioneer Road	9,190 sq m	30 years from December 1994 6 years 11 months unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.31	Ang Mo Kio Street 63	2,145 sq m	3 years from March 2014, renewed for another 3 years from March 2017 2 years 2 months unexpired	Inspection services

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
Comfort Transportation Pte Ltd	100	Sin Ming Drive	19,523 sq m	60 years 17 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	24,499 sq m	30 years 5 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 34 years 4 months unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 7 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 8 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 31 years 2 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	17 years 4 years 9 months unexpired	Workshop, diesel kiosk

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 10 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 31 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 25 years unexpired	Staff residence
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd	80	Cheng Shou Si Road Jiu Gong Da Xing District Beijing	6,120 sq m	20 years 6 years unexpired (compulsory acquisition by Government)	Office, workshop
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 16 years unexpired	Office
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 38 years 8 months unexpired	Office
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	95	Wen Jia Red Mill Village Chengdu	113,334 sq m	10 years 5 years unexpired	Driving test centre
Jilin ComfortDelGro Taxi Co., Ltd	97	Cheng Nan Street Jilin City High-tech Zone	18,013.55 sq m	50 years 45 years unexpired	Office

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
UNITED KINGDOM					
Computer Cab plc	100	Woodfield Road London W9 2BA	537 sq m	Freehold	Office
Computer Cab plc	100	Mitre Bridge Ind Mitre Way London W10 6AU	10,707 sq m	10 years 2 years and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	100	Falkland Street Liverpool 13 8HB	610 sq m	99 years 80 years 7 months unexpired	Office, fleet dept
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	6 years 1 month unexpired	Office, fitting bay
Metroline Limited	100	Pemberton Gardens Holloway London N19 5RR	17,968 sq m	Freehold	Bus depot
Metroline Limited	100	Edgware Road Cricklewood London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline West Limited	100	Ealing Road Wembley HA0 4LL	4,996 sq m	Freehold	Bus depot

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA					
Westbus Region 1 Pty Ltd	100	Thorley Street Windsor South NSW	22,130 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	Boundary Road Northmead NSW	31,669 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	Hartley Road Seven Hills NSW	2,725 sq m	Freehold	Bus depot
Hillsbus Co Pty Ltd	100	New Line Road Dural NSW	19,460 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Glenwood Drive Thornton NSW	8,688 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	High Street Toronto NSW	2,442 sq m	Freehold	Office building
Hunter Valley Buses Pty Ltd	100	Arnott St & Aluminium Cl Edgeworth NSW	5,817 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Burleigh Street Toronto NSW	5,372 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Ettalong Road Morisset NSW	14,865 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Magpie Street Singleton NSW	7,806 sq m	Freehold	Bus depot
Hunter Valley Buses Pty Ltd	100	Arnott Street Edgeworth NSW	16,600 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd (1)	100	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd [1]	100	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd (1)	100	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd (1)	100	Prosperity Drive Truganina Victoria	40,764 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd (1)	100	Bass Street Queanbeyan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd (1)	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd (1)	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot & Offices
CDC Ballarat Pty Ltd	100	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh - TP Ho Chi Minh City	6,438 sq m	20 years 3 years unexpired	Office, workshop

39 GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
MALAYSIA					
Setsco Services (M) Pte Ltd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 90 years 11 months unexpired	Testing, inspection, consultancy services
CityLimo Leasing (M) Sdn Bhd	100	47500 Subang Jaya Industrial Estate Selangor Darul Ehsan	1,022 sq m	3 years 4 months unexpired	Office, workshop

Note:

(1) Previously known as ComfortDelGro CabCharge Pty Ltd.