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DIRECTORS' STATEMENT

The Directors present their statement together with the audited Consolidated Financial Statements of the Group for the financial year ended 31 December 2018 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2018.

In the opinion of the Directors, the Consolidated Financial Statements of the Group and the Statement of Financial Position and Statement of Changes in Equity of the Company as set out on pages 103 to 188 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

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

Lim Jit Poh	(Chairman)
Yang Ban Seng	(Managing Director/Group Chief Executive Officer)
Jessica Cheam	(Appointed on 1 January 2019)
Chiang Chie Foo	(Appointed on 1 May 2018)
Lee Khai Fatt, Kyle	
Ong Ah Heng	
Ooi Beng Chin	(Appointed on 1 May 2018)
Sum Wai Fun, Adeline	
Tham Ee Mern, Lilian	
Wang Kai Yuen	
Wong Chin Huat, David	

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

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

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	At 1 January 2018	At 31 December 2018	At 21 January 2019
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	755,558	755,558	755,558
Sum Wai Fun, Adeline	240,000	240,000	240,000
Wang Kai Yuen	52,500	52,500	52,500
Wong Chin Huat, David	620,000	620,000	620,000
(b) Options to subscribe for ordinary shares			
Yang Ban Seng	660,000	660,000	660,000
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

DIRECTORS' STATEMENT

4. SHARE OPTIONS

(A) Share options of the Company

- (i) The ComfortDelGro Employees' Share Option Scheme (the "CDG ESOS") for a period of 10 years was approved by the shareholders of the Company on 18 February 2003. It expired on 17 February 2013 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the CDG ESOS. The CDG ESOS is administered by the Remuneration Committee (the "Committee") comprising Messrs Wang Kai Yuen (Chairman), Lim Jit Poh, Ong Ah Heng, Ooi Beng Chin (appointed as a Member on 1 May 2018), Sum Wai Fun, Adeline (appointed as a Member on 1 January 2019) and Wong Chin Huat, David.
- (ii) Under the CDG ESOS, an option entitles the option holder to subscribe for a specific number of new ordinary shares at a subscription price determined with reference to the market price of the shares at the time of grant of the option. The subscription price does not include any discount feature. The consideration for the grant of an option is \$1.00. The option may be exercised at any time after the first anniversary of the date of grant but before the tenth anniversary (fifth anniversary for non-executive Directors) of the date of grant of that option or such shorter period as determined by the Committee. The option may be exercised in whole or in part on the payment of the relevant subscription price. The participants to whom the options have been granted shall be eligible to participate in other share option schemes implemented by the Company and/or its subsidiaries. Options granted will lapse when the option holder ceases to be a full-time employee or Director of the Company or any company of the Group, subject to certain exceptions at the discretion of the Committee administering the CDG ESOS.
- (iii) Particulars of unissued shares under options granted pursuant to the CDG ESOS, options exercised and lapsed during the financial year and options outstanding as at 31 December 2018 were as follows:

Date of grant	Number of options to subscribe for ordinary shares				Subscription price per share	Expiry date
	Outstanding at 1 January 2018	Exercised	Lapsed	Outstanding at 31 December 2018		
25 June 2008	960,000	(960,000)	–	–	\$1.590	24 June 2018
25 June 2009	195,000	(75,000)	–	120,000	\$1.273	24 June 2019
2 July 2010	995,000	(140,000)	–	855,000	\$1.467	1 July 2020
23 June 2011	1,005,000	(250,000)	(300,000)	455,000	\$1.373	22 June 2021
20 June 2012	3,019,000	(360,000)	(300,000)	2,359,000	\$1.475	19 June 2022
Total	6,174,000	(1,785,000)	(600,000)	3,789,000		

4. SHARE OPTIONS (cont'd)

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

- (iv) Details of the options granted to Directors since the commencement of the CDG ESOS (including options granted under the Pre-Merger Option Scheme*) up to 31 December 2018 were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2018	Aggregate options exercised since the commencement to 31 December 2018	Aggregate options lapsed since the commencement to 31 December 2018	Aggregate options outstanding at 31 December 2018
Lim Jit Poh	2,773,577	2,273,577	500,000	–
Yang Ban Seng	3,561,315	2,901,315	–	660,000
Ong Ah Heng	1,517,540	1,167,540	350,000	–
Sum Wai Fun, Adeline	600,000	600,000	–	–
Wang Kai Yuen	1,998,672	1,873,672	125,000	–
Wong Chin Huat, David	1,200,000	850,000	350,000	–

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

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

- (v) None of the options granted under the CDG ESOS include a discount feature to the market price of the shares at the time of grant. No participants to the CDG ESOS are controlling shareholders of the Company and their associates.
- (vi) None of the Directors or employees of the Company and its subsidiaries received 5% or more of the total number of options available under the CDG ESOS for the financial year ended 31 December 2018.

(B) Share options of subsidiaries

(a) SBS Transit Ltd ("SBST")

- (i) At the end of the financial year, there were 232,500 unissued shares of SBS Transit Ltd under option relating to the SBS Transit Share Option Scheme (the "SSOS"). The SSOS expired on 8 June 2010 and hence no option has been granted since then. The existing options granted will continue to vest according to the terms and conditions of the SSOS and the respective grants. Details and terms of the share options and SSOS have been disclosed in the Directors' Statement of SBS Transit Ltd.
- (ii) There were no share options granted to Directors of the Company during the financial year. Details of the SSOS options since the commencement of the SSOS were as follows:

Director	Number of options to subscribe for ordinary shares			
	Aggregate options granted since the commencement to 31 December 2018	Aggregate options exercised since the commencement to 31 December 2018	Aggregate options lapsed since the commencement to 31 December 2018	Aggregate options outstanding at 31 December 2018
Lim Jit Poh	780,000	480,000	300,000	–

DIRECTORS' STATEMENT**5. AUDIT AND RISK COMMITTEE**

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

Sum Wai Fun, Adeline (Chairman)
Chiang Chie Foo (Appointed as a Member on 1 May 2018)
Lee Khai Fatt, Kyle
Ong Ah Heng
Tham Ee Mern, Lilian

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

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

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

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

6. AUDITORS

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

ON BEHALF OF THE DIRECTORS

Lim Jit Poh
Chairman

Yang Ban Seng
Managing Director/Group Chief Executive Officer

Singapore
13 February 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying Financial Statements of ComfortDelGro Corporation Limited (the "Company") and its subsidiaries (the "Group") which comprise the Statement of Financial Position of the Group and the Company as at 31 December 2018, and the Group Income Statement, Group Comprehensive Income Statement, Group Statement of Changes in Equity and Group Cash Flow Statement and Statement of Changes in Equity of the Company for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies, as set out on pages 103 to 188.

In our opinion, the Consolidated Financial Statements of the Group and the Statement of Financial Position and the Statement of Changes in Equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2018 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Taxi vehicles, taxi licences and goodwill impairment review

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

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

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

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED*****Valuation and completeness of provision for accident claims***

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

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

Business combinations

During the year, the Group acquired several subsidiaries for a total purchase consideration of \$427.6 million. Under SFRS(I) 3 *Business Combination*, the Group is required to assess and determine the fair values of the assets acquired and liabilities assumed, including any potential intangible assets. Any excess of the purchase consideration over the fair value of net assets acquired is recognised as goodwill. Significant management judgement is involved in the valuation of these assets and liabilities. Management has recorded a provisional goodwill of \$257.6 million arising from acquisitions (Note 38). The final goodwill arising from the above acquisitions is dependent on the completion of the valuation of the assets acquired and liabilities assumed (including any intangible assets). Adjustments to the provisional amount maybe required upon finalisation of the valuation of net assets.

We have discussed and reviewed Management's assessment of the acquisitions which was accounted for as business combinations. Our procedures included reading the key terms of the purchase agreements to obtain an understanding of the transactions. We assessed Management's identification and fair value measurement of the identifiable assets and liabilities and the calculation of the provisional goodwill. There is a twelve month period to finalise the purchase price allocation, accordingly we noted that Management's assessment is provisional at this time.

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

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

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

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF COMFORTDELGRO CORPORATION LIMITED****Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

DELOITTE & TOUCHE LLP

Public Accountants and
Chartered Accountants
Singapore

13 February 2019

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2018

	Note	The Group			The Company		
		31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
ASSETS							
Current assets							
Short-term deposits and bank balances	4	586.1	596.2	779.3	159.9	129.7	309.6
Investments	10	–	10.4	–	–	5.2	–
Trade receivables	5	275.4	250.6	237.4	–	–	–
Other receivables and prepayments	6	277.0	195.2	152.7	32.3	5.5	5.4
Inventories	7	138.7	113.6	81.7	–	–	–
Total current assets		1,277.2	1,166.0	1,251.1	192.2	140.4	315.0
Non-current assets							
Subsidiaries	8	–	–	–	1,230.7	1,314.5	1,121.5
Associates	9	0.9	9.0	11.2	–	0.3	0.3
Investments	10	29.6	28.7	62.9	19.0	18.3	41.7
Other receivables and prepayments	6	6.2	6.7	3.0	338.1	19.8	19.9
Grant receivables	11	212.8	231.2	237.6	–	–	–
Vehicles, premises and equipment	12	2,691.3	2,722.6	2,814.8	5.1	6.9	8.0
Taxi licences	13	218.9	211.9	217.7	–	–	–
Goodwill	14	677.5	428.3	427.5	–	–	–
Deferred tax assets	15	22.3	23.3	23.6	–	–	–
Total non-current assets		3,859.5	3,661.7	3,798.3	1,592.9	1,359.8	1,191.4
Total assets		5,136.7	4,827.7	5,049.4	1,785.1	1,500.2	1,506.4

See accompanying notes to the Financial Statements.

STATEMENTS OF FINANCIAL POSITION

31 DECEMBER 2018

	Note	The Group			The Company		
		31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
LIABILITIES AND EQUITY							
Current liabilities							
Borrowings	16	90.4	114.2	169.3	5.8	–	–
Trade and other payables	17	691.0	677.3	717.5	169.0	253.0	472.1
Deferred grants	18	91.4	19.1	17.9	–	–	–
Fuel price equalisation account		20.0	20.0	20.0	–	–	–
Insurance premiums payable and provision for accident claims	19	52.0	62.2	65.8	–	–	–
Income tax payable		64.5	52.2	48.5	0.3	2.8	2.6
Total current liabilities		1,009.3	945.0	1,039.0	175.1	255.8	474.7
Non-current liabilities							
Borrowings	16	479.5	208.1	175.8	338.0	–	–
Deferred grants	18	271.1	282.4	279.6	–	–	–
Other liabilities	20	80.3	75.9	90.7	0.1	0.1	0.1
Fuel price equalisation account		20.0	20.0	20.0	–	–	–
Deferred tax liabilities	15	249.4	258.5	252.2	1.3	1.3	2.3
Total non-current liabilities		1,100.3	844.9	818.3	339.4	1.4	2.4
Total liabilities		2,109.6	1,789.9	1,857.3	514.5	257.2	477.1
Capital, reserves and non-controlling interests							
Share capital	21	691.1	688.2	676.9	691.1	688.2	676.9
Other reserves	22	80.9	84.2	23.4	(32.0)	(32.4)	(13.3)
Foreign currency translation reserve		(81.5)	(3.1)	–	–	–	–
Accumulated profits		1,923.1	1,848.9	1,775.2	611.5	587.2	365.7
Equity attributable to shareholders of the Company		2,613.6	2,618.2	2,475.5	1,270.6	1,243.0	1,029.3
Non-controlling interests		413.5	419.6	716.6	–	–	–
Total equity		3,027.1	3,037.8	3,192.1	1,270.6	1,243.0	1,029.3
Total liabilities and equity		5,136.7	4,827.7	5,049.4	1,785.1	1,500.2	1,506.4

The Group has adopted SFRS(I)s on 1 January 2018 and applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017 (see Note 39).

See accompanying notes to the Financial Statements.

GROUP INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'mil	2017 \$'mil
Revenue	23	3,805.2	3,576.4
Staff costs	24	(1,656.1)	(1,495.2)
Depreciation and amortisation		(394.3)	(408.8)
Fuel and electricity costs		(295.5)	(236.8)
Repairs and maintenance costs		(286.9)	(266.2)
Contract services		(168.3)	(158.5)
Materials and consumables costs		(131.6)	(144.1)
Premises costs		(103.3)	(95.9)
Road tax		(100.6)	(118.1)
Insurance premiums and accident claims		(96.9)	(116.0)
Advertising production and promotion costs		(23.5)	(21.6)
Utilities and communication costs		(20.9)	(18.8)
Vehicle leasing charges		(6.7)	(11.5)
Other operating costs		(81.8)	(75.7)
Total Operating Costs		(3,366.4)	(3,167.2)
Operating Profit		438.8	409.2
Net Income from Investments		11.8	22.4
Finance Costs	25	(11.4)	(10.8)
Share of Profit in Associate	9	0.1	4.6
Profit before Taxation		439.3	425.4
Taxation	26	(80.5)	(76.5)
Profit after Taxation	27	358.8	348.9
Attributable to:			
Shareholders of the Company		303.3	301.5
Non-Controlling Interests		55.5	47.4
		358.8	348.9
Earnings per share (in cents):			
Basic	28	14.01	13.95
Diluted	28	14.00	13.94

The Group has adopted SFRS(I) 15 *Revenue from Contracts with Customers* with effect from 1 January 2018. Certain comparative figures have been reclassified to conform to current year's presentation (see Note 39).

See accompanying notes to the Financial Statements.

GROUP COMPREHENSIVE INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$'mil	2017 \$'mil
Profit after Taxation	27	358.8	348.9
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value adjustment on cash flow hedges		(2.7)	10.3
Fair value adjustment on bonds		(0.2)	(0.2)
Exchange differences on translation of foreign operations		(83.2)	(6.2)
		(86.1)	3.9
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial adjustment on defined benefit plans		(5.4)	5.0
Fair value adjustment on equity investments		1.2	(21.9)
		(4.2)	(16.9)
Other comprehensive income for the year		(90.3)	(13.0)
Total comprehensive income for the year		268.5	335.9
Attributable to:			
Shareholders of the Company		218.2	291.1
Non-Controlling Interests		50.3	44.8
		268.5	335.9

See accompanying notes to the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	The Group						
	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign currency translation reserve	Accumulated profits	Total		
\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	\$'mil	
Balance at 1 January 2017 (as previously reported)	676.9	23.4	(125.5)	1,900.7	2,475.5	716.6	3,192.1
Reclassification on adoption of SFRS(I) 1*	–	–	125.5	(125.5)	–	–	–
Balance at 1 January 2017	676.9	23.4	–	1,775.2	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	–	66.8	–	–	66.8	(284.8)	(218.0)
Exercise of share options (Notes 21 and 22)	11.3	(0.9)	–	–	10.4	–	10.4
Payment of dividends (Note 33)	–	–	–	(224.9)	(224.9)	–	(224.9)
Other reserves	–	2.2	–	(2.9)	(0.7)	(57.0)	(57.7)
Total	11.3	68.1	–	(227.8)	(148.4)	(341.8)	(490.2)
Balance at 31 December 2017	688.2	84.2	(3.1)	1,848.9	2,618.2	419.6	3,037.8
Total comprehensive income for the year							
Profit for the year	–	–	–	303.3	303.3	55.5	358.8
Other comprehensive income for the year	–	(6.7)	(78.4)	–	(85.1)	(5.2)	(90.3)
Total	–	(6.7)	(78.4)	303.3	218.2	50.3	268.5
Transactions recognised directly in equity							
Adjustment arising from acquisition of interests in subsidiaries	–	0.3	–	–	0.3	(2.2)	(1.9)
Exercise of share options (Notes 21 and 22)	2.9	(0.3)	–	–	2.6	–	2.6
Payment of dividends (Note 33)	–	–	–	(225.1)	(225.1)	–	(225.1)
Other reserves	–	3.4	–	(4.0)	(0.6)	(54.2)	(54.8)
Total	2.9	3.4	–	(229.1)	(222.8)	(56.4)	(279.2)
Balance at 31 December 2018	691.1	80.9	(81.5)	1,923.1	2,613.6	413.5	3,027.1

* The Group has adopted SFRS(I)s on 1 January 2018 and applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017 (see Note 39).

See accompanying notes to the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2018

	The Company			Total equity \$'mil
	Share capital \$'mil	Other reserves \$'mil	Accumulated profits \$'mil	
Balance at 1 January 2017	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
Total comprehensive income for the year				
Profit for the year	–	–	249.4	249.4
Other comprehensive income for the year	–	0.7	–	0.7
Total	–	0.7	249.4	250.1
Transactions recognised directly in equity				
Exercise of share options (Notes 21 and 22)	2.9	(0.3)	–	2.6
Payment of dividends (Note 33)	–	–	(225.1)	(225.1)
Total	2.9	(0.3)	(225.1)	(222.5)
Balance at 31 December 2018	691.1	(32.0)	611.5	1,270.6

See accompanying notes to the Financial Statements.

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2018

	2018 \$'mil	2017 \$'mil
Operating activities		
Profit before Taxation	439.3	425.4
Adjustments for:		
Depreciation and amortisation	394.3	408.8
Finance costs	11.4	10.8
Interest income	(10.8)	(9.9)
Dividend income	(1.0)	(12.5)
Grant income	(34.9)	(35.8)
Net gain on disposal of vehicles, premises and equipment	(15.9)	(5.2)
Provision for relocation costs	7.1	–
Insurance premiums payable and provision for accident claims	14.8	17.7
Share of profit in associate	(0.1)	(4.6)
Others	1.7	4.8
Operating cash flows before movements in working capital	805.9	799.5
Inventories	(23.9)	(31.9)
Trade receivables	(5.5)	(14.2)
Other receivables and prepayments	(0.4)	(44.8)
Grant receivables, net of deferred grants	2.2	(0.7)
Trade and other payables	(5.0)	(16.5)
Other liabilities	4.6	(14.1)
Payment of service benefits and long service awards	(1.8)	(1.9)
Payment of insurance premiums and accident claims	(25.2)	(21.5)
Cash generated from operations	750.9	653.9
Income tax paid	(82.1)	(72.0)
Net cash from operating activities	668.8	581.9

See accompanying notes to the Financial Statements.

GROUP CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2018

	2018 \$'mil	2017 \$'mil
Investing activities		
Purchases of vehicles, premises and equipment	(352.8)	(393.6)
Less: Vehicles purchased under finance lease arrangements	27.8	28.2
Less: Proceeds from disposal of vehicles, premises and equipment	98.9	81.8
Cash payments on purchase of vehicles, premises and equipment	(226.1)	(283.6)
Maturity of investments	10.4	–
Payment for taxi licences	(15.4)	–
Acquisition of subsidiaries, net of cash (Note 38)	(418.8)	–
Interest received	11.0	10.4
Dividend received from an associate	–	6.8
Dividend received from investments	1.0	12.5
Net cash used in investing activities	(637.9)	(253.9)
Financing activities		
Acquisition of non-controlling interests in subsidiaries	(1.9)	(218.0)
New loans raised	1,283.0	1,012.9
Repayment of borrowings	(1,067.5)	(1,064.4)
Dividends paid to shareholders of the Company	(225.1)	(224.9)
Dividends paid to non-controlling shareholders of subsidiaries	(54.6)	(58.4)
Proceeds from exercise of share options of the Company	2.6	10.4
Proceeds from exercise of share options of a subsidiary	1.3	1.8
Grants received	44.2	44.9
Interest paid	(11.0)	(11.4)
Proceeds from unclaimed dividends	–	0.1
Net cash used in financing activities	(29.0)	(507.0)
Net effect of exchange rate changes in consolidating subsidiaries	(12.0)	(4.1)
Net decrease in cash and cash equivalents	(10.1)	(183.1)
Cash and cash equivalents at beginning of year	596.2	779.3
Cash and cash equivalents at end of year (Note 4)	586.1	596.2

See accompanying notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

1. GENERAL

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

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

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

The Consolidated Financial Statements of the Group for the financial year ended 31 December 2018 and the Statement of Financial Position and Statement of Changes in Equity of the Company as at 31 December 2018 were authorised for issue by the Board of Directors on 13 February 2019.

For all periods up to and including the year ended 31 December 2017, the Financial Statements were prepared in accordance with the previous framework, Financial Reporting Standards in Singapore ("FRSs"). These Financial Statements for the year ended 31 December 2018 are the first set that the Group and the Company have prepared in accordance with SFRS(I). Details of first-time adoption of SFRS(I) are included in Note 39.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Consolidated Financial Statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payment*, leasing transactions that are within the scope of SFRS(I) 1-17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

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

SFRS(I) 16	–	<i>Leases</i> ¹
SFRS(I) INT 23	–	<i>Uncertainty over Income Tax Treatments</i> ¹

¹ Applies to annual periods beginning on or after 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****SFRS(I) 16 Leases**

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the existing framework.

SFRS(I) 1-17 does not require the recognition of any right-of-use asset or liability for future payments for the operating leases the Group enters into. Under SFRS(I) 16, the Group may be required to recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of SFRS(I) 16. Additional disclosures may also be made with respect to leases, including any significant judgement and estimation made in distinguishing between leases and service contracts, on the basis of whether an identified asset controlled by the customer exists.

Management has performed an analysis of the requirements of the initial application of SFRS(I) 16 and expects the adoption of SFRS(I) 16 will result in certain operating lease arrangements being recorded in the Statements of Financial Position.

SFRS(I) INT 23 Uncertainty over Income Tax Treatments

The Interpretation provides guidance on determining the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a Group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

Management will adopt the above Interpretation when it becomes effective.

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

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

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

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

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

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

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

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

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

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

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

BUSINESS COMBINATIONS – The acquisition of subsidiaries is accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group to the former owners of the acquiree in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under SFRS(I) 3 *Business Combinations* are recognised at their fair values at the acquisition date except for deferred tax assets or liabilities which are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes*. Acquisition-related costs are recognised in Profit or Loss as incurred.

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or Loss are recognised immediately in Profit or Loss.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments that meet both the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through Profit or Loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

Debt instruments classified as a FVTOCI

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

Interest income is recognised in Profit or Loss and is included in the "Net Income from Investments" line item in Profit or Loss.

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

Equity instruments designated at FVTOCI

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

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

Dividends on these investments in equity instruments are recognised in Profit or Loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "Net Income from Investments" line item in Profit or Loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group applies the simplified approach permitted by SFRS(I) 9 for trade receivables. The ECL on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors as well as current and forecast general economic conditions at the reporting date.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)****Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in Profit or Loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is reclassified to Profit or Loss. In contrast, on derecognition of an investment in equity instrument which the group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the Investment Revaluation Reserve is not reclassified to Profit or Loss, but is transferred to Retained Earnings.

Financial liabilities and equity instruments**Classification as debt or equity**

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

Equity instruments

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

Borrowings

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

Trade and other payables

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in Profit or Loss.

Hedging instruments and hedge accounting

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

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

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

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

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

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

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

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

Fair value hedge

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

Cash flow hedge

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

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

The Group as lessor

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

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

The Group as lessee

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

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

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

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

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

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

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

	<u>Number of years</u>
Buses	12 to 25
Leasehold land and buildings	Over the remaining lease period
Freehold buildings	50
Taxis and motor vehicles for rental	5 to 8
Computers and automated equipment	3 to 5
Workshop machinery, tools and equipment	
– General workshop machinery, tools and equipment	3 to 10
– Specialised inspection and testing equipment	20
Motor vehicles	
– Motorcycles	3
– Other motor vehicles	5 to 10
Furniture, fittings and equipment	5 to 7

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

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

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

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

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

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

The results and assets and liabilities of associates are incorporated in these Consolidated Financial Statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5. Under the equity method, an investment in an associate is initially recognised in the Consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the Profit or Loss and Other Comprehensive Income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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

INTANGIBLE ASSETS

Intangible assets acquired separately

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

Intangible assets acquired in a business combination

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if there is an indication that the asset may be impaired.

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

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

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

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

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

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

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

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

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

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

DEFERRED INCOME – Deferred income comprises of:

- (i) The deferred grants relating to the net present value of the grant income from the transport regulators in Australia for the acquisition of new buses that is amortised to Profit or Loss over the useful lives of the assets.
- (ii) Advance receipts from customers that are recognised to Profit or Loss when the services are rendered.

SERVICE BENEFITS – These comprise the following:

- (i) **Retirement benefits** – Under the Collective Agreement entered into by certain subsidiaries in Singapore with their relevant unions, a retirement benefit subject to a maximum of \$3,000 is payable to an employee retiring on or after attaining the retirement age and on completion of at least five years of service.

Provision is made in the Financial Statements based on the number of years of service rendered by qualifying employees and discounted to present value using the market yield of Singapore Government Bonds at end of the reporting period and after taking into account an estimated attrition rate. The estimated attrition rate used is based on the Management's best estimate using historical trend.

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

REVENUE RECOGNITION – The Group recognises revenue from the following major sources:

- Public transport services
- Taxi
- Automotive engineering services
- Inspection and testing services
- Others

Revenue is measured based on consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer or when services are rendered.

Public transport services

Revenue from public transport services comes from the provision of bus and rail services to commuters travelling on public transport systems, contracted revenue for operations of scheduled services and provision of coach rental services. Revenue from transport regulators for scheduled bus services is recognised as and when services are rendered, including an estimation of the expected consideration on achieving certain performance targets.

Revenue from other third parties for scheduled services, coach rental services and rail services is recognised as and when services are rendered.

Revenue from other commercial services comprises advertising and rental income. Advertising production revenue is recognised when production is completed and advertising media revenue is recognised on a time proportionate basis over the term relevant contract. Rental income is recognised on a straight-line basis over the term of the relevant lease.

Taxi

The Group provides taxi rental and other related services such as subscription and cashless payment to third parties. Revenue is recognised as and when services are rendered.

Automotive engineering services

The Group provides repair and maintenance services to taxi, buses and third parties. Revenue is recognised as and when services are rendered.

For sales of goods such as spare parts, diesel and petrol to third parties, revenue is recognised when control of the goods has been transferred to the customer, at the point where goods are delivered to the customer.

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

Inspection and testing services

The Group provides vehicle inspection services and other testing services. Revenue from vehicle inspection services is recognised upon completion of the inspection services.

Revenue from testing services for aerospace, marine and offshore, biotechnology, oil and petrochemical, building construction and electronics manufacturing industries is recognised upon completion of the final test report.

Others

Others include car rental and leasing, driver training and bus station operation.

Car rental and leasing and driver training revenue are recognised upon completion of the services.

Bus station operation revenue is recognised as and when services are rendered.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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

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

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

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

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

The Group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. As a result, the cumulative foreign currency translation loss was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

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

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

CASH AND CASH EQUIVALENTS IN THE GROUP CASH FLOW STATEMENT – Cash and cash equivalents in the Group Cash Flow Statement comprise cash on hand and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Group's accounting policies

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

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

Critical accounting judgements and key sources of estimation uncertainty

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

Provisions

(i) Accident claims

Claims for property damage and personal injury are provided in the Financial Statements based on the claims outstanding as of the end of the financial year and estimated amounts payable. The past claims history and payment trends are used as a basis to estimate the amounts in which the Group will have to pay to third parties for such claims. The provision for accident claims included in Note 19 is \$52.0 million (31 December 2017 : \$59.0 million, 1 January 2017 : \$59.2 million).

(ii) Insurance premium payable

With effect from 2008, the Group has undertaken property damage and personal injury insurance with a fixed annual premium per vehicle. However, the Group had in the previous financial years incurred additional premiums payable as the insurance claims per vehicle had exceeded the minimum amount as stipulated in the insurance policy for those years. All premiums relating to the period before 2008 have been paid as at 31 December 2018 (31 December 2017 : \$3.2 million accrued for period 2006-2008, 1 January 2017 : \$6.6 million accrued for period 2006-2008) and Management has assessed that no further accrual is necessary (Note 19).

(iii) Retirement benefits and long service awards

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

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

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

The cost of providing benefits under the two defined benefit pension schemes for employees of one of the foreign subsidiaries is determined using the Projected Unit Credit Method, with actuarial valuations carried out at the end of each reporting year. At 31 December 2018, the retirement benefit obligation recognised in the Group's Statement of Financial Position amounted to \$0.2 million (31 December 2017 : retirement benefit assets amounted to \$3.2 million; 1 January 2017 : retirement benefit obligations amounted to \$5.7 million) disclosed in Note 20(c) represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of plan assets and vice versa.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)****Impairment review of taxi vehicles, taxi licences and goodwill**

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

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

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

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

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

For the public transport services businesses in Australia and United Kingdom, discount rates of 6.9% (2017 : 6.9%) and 5.8% (2017 : 5.7%), and growth rates of 2.8% (2017 : 2.9%) and 1.5% (2017 : 1.5%) are applied to the forecasts respectively.

For the taxi businesses in China and Singapore, discount rates of 8.8% (2017 : 7.9%) and 8.5% (2017 : 7.5%), and growth rates of nil% to 2.0% (2017 : 2.8%) and nil% (2017 : nil%) are applied to the forecasts respectively.

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

Useful lives of vehicles, premises and equipment

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

Goodwill arising from on acquisition of businesses

Goodwill arising from acquisition of subsidiaries during the year was determined using a provisional purchase price allocation exercise to determine the fair value of the acquired assets and liabilities. Management exercised significant judgement in determining the fair value of the acquired assets and liabilities including any intangibles. The final goodwill arising from the acquisitions will be dependent on the completion of the valuation of the acquired assets and liabilities which include vehicles and buildings.

4. SHORT-TERM DEPOSITS AND BANK BALANCES

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Cash and bank balances	14.5	15.5	18.1	–	–	–
Interest bearing						
bank balances	140.2	98.0	118.6	1.1	1.1	0.5
Fixed deposits	431.4	482.7	642.6	158.8	128.6	309.1
Total	586.1	596.2	779.3	159.9	129.7	309.6

Interest bearing bank balances bear effective interest rates ranging from 0% to 1.3% (2017 : 0% to 1.3%) per annum.

Fixed deposits are placed on a staggered basis based on the Group's cashflow projections, bear effective interest rates ranging from 0.2% to 6.8% (2017 : 0.2% to 6.5%) per annum. These deposits are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

5. TRADE RECEIVABLES

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Outside parties	279.6	255.0	240.8
Allowance for expected credit losses	(4.2)	(4.4)	(3.4)
Net	275.4	250.6	237.4

The credit period on sale of goods and rendering of services ranges from 7 days to 60 days (2017 : 7 days to 60 days) except for insurance claims against third parties which have no credit period due to their nature.

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

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

Movements in allowance for expected credit losses:

	The Group	
	2018 \$'mil	2017 \$'mil
Balance at beginning of the year	4.4	3.4
Amounts written off during the year	(0.8)	(0.6)
Increase in allowance recognised in Profit or Loss	0.6	1.6
Balance at end of the year	4.2	4.4

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****6. OTHER RECEIVABLES AND PREPAYMENTS**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Prepayments	62.0	69.4	72.3	0.4	0.3	0.4
Downpayments for the purchase of vehicles, premises and equipments	6.0	3.3	2.6	–	–	–
Interest receivable	3.1	3.4	3.9	0.2	0.1	0.3
Security and tender deposits	1.6	2.0	1.6	–	–	–
Grant receivables (Note 11)	99.1	28.7	26.5	–	–	–
Retirement benefits assets (Note 20(c))	–	3.2	–	–	–	–
Due from subsidiaries	–	–	–	369.0	23.5	22.7
Others	111.4	91.9	48.8	0.8	1.4	1.9
Total	283.2	201.9	155.7	370.4	25.3	25.3
Analysed as:						
Current	277.0	195.2	152.7	32.3	5.5	5.4
Non-current	6.2	6.7	3.0	338.1	19.8	19.9
Total	283.2	201.9	155.7	370.4	25.3	25.3

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

Included in the amount of \$369.0 million (31 December 2017 : \$23.5 million, 1 January 2017 : \$22.7 million) due from subsidiaries, \$366.0 million (31 December 2017 : \$19.7 million, 1 January 2017 : \$19.8 million) relates to loans which bear variable interest rates ranging from 1.83% to 2.34% (2017 : 3.28%) per annum and are unsecured. The remaining balance of \$3.0 million (31 December 2017 : \$3.8 million, 1 January 2017 : \$2.9 million) is unsecured and interest-free.

7. INVENTORIES

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Goods held for sale	9.8	9.7	11.7
Consumables, materials and supplies	127.4	102.5	68.2
Work in progress	1.5	1.4	1.8
Total	138.7	113.6	81.7

8. SUBSIDIARIES

	The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Quoted equity shares, at cost	93.6	93.6	93.6
Unquoted equity shares, at cost	1,137.1	1,220.9	1,027.9
	1,230.7	1,314.5	1,121.5
Market value of quoted equity shares	983.4	923.9	830.3

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

Principal activity	Place of incorporation and operation	Number of wholly-owned subsidiaries		
		31 December 2018	31 December 2017	1 January 2017
Investment holding	Singapore	5	4	4
Investment holding	United Kingdom	2	2	2
Investment holding	Malaysia	–	1	1
Investment holding	Australia	9	3*	–
Bus	Singapore	1	1	1
Bus	United Kingdom	4	2	2
Bus	Ireland	1	1	1
Bus	Australia	24	14*	–
Rail	United Kingdom	1	1	1
Advertising	Singapore	1	1	1
Advertising	Australia	1	1	1
Automotive engineering services	Singapore	1	1	1
Automotive engineering services	Australia	1	–	–
Driving centre	China	2	–	–
Taxi	Singapore	1	1	1
Taxi	Australia	2	2	1
Taxi	China	3	3	3
Taxi	United Kingdom	9	10*	–
Car rental and leasing	Singapore	1	1	1
Car rental and leasing	China	1	1	1
Car rental and leasing	Malaysia	1	1	1
Insurance brokers	Singapore	1	–	–
Non-emergency transport services	Australia	7	–	–

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****8. SUBSIDIARIES (cont'd)**

Principal activity	Place of incorporation and operation	Number of non wholly-owned subsidiaries		
		31 December 2018	31 December 2017	1 January 2017
Investment holding	Australia	–	–*	3
Bus and rail	Singapore	1	1	1
Bus	United Kingdom	2	2	2
Bus	Australia	–	–*	14
Rail	Singapore	1	1	1
Bus station	China	1	1	1
Driving centre	Singapore	1	1	1
Driving centre	China	2	3	3
Inspection and testing services	Singapore	5	5	5
Inspection and testing services	Malaysia	1	1	1
Inspection and testing services	China	2	2	2
Inspection and testing services	United Arab Emirates	1	1	1
Taxi	Singapore	2	2	2
Taxi	China	7	7	7
Taxi	United Kingdom	–	–*	11
Taxi	Vietnam	2	2	2
Automotive engineering services	Australia	–	1	1

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

* In 2017, the Company acquired the remaining 49% stake in ComfortDelGro Australia Pty Ltd ("CDC") and CityFleet Networks Limited ("CFN") from Cabcharge Australia Limited. CDC and CFN became wholly-owned subsidiaries of the Company.

9. ASSOCIATES

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Unquoted equity shares	0.6	0.8	0.8	–	0.3	0.3
Add: Share of post-acquisition reserves	0.3	8.2	10.4	–	–	–
Total	0.9	9.0	11.2	–	0.3	0.3

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

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

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Total assets	1.1	24.7	29.5
Total liabilities	(0.6)	(7.8)	(8.2)
Net assets	0.5	16.9	21.3
Group's share of associates' net assets	0.3	8.2	10.4
Revenue	3.0	18.3	18.4
Profit for the year	0.1	9.5	10.2
Group's share of associates' profit	0.1	4.6	4.9

10. INVESTMENTS

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Financial assets at fair value through Other Comprehensive Income:						
Equity shares in a corporation	29.6	28.7	52.3	19.0	18.3	36.4
Bonds in SP PowerAssets Limited	–	10.4	10.6	–	5.2	5.3
Total	29.6	39.1	62.9	19.0	23.5	41.7
Analysed as:						
Current	–	10.4	–	–	5.2	–
Non-current	29.6	28.7	62.9	19.0	18.3	41.7
Total	29.6	39.1	62.9	19.0	23.5	41.7

The equity shares in a corporation represent investment for long-term strategic purpose. Dividends received during the year amounted to \$1.0 million (31 December 2017 : \$12.5 million, 1 January 2017 : \$2.5 million). In 2017, the dividends received included a special dividend of \$10.0 million. The fair values are based on the closing market prices on the last market day of the financial year.

The bonds have been fully redeemed during the financial year.

11. GRANT RECEIVABLES

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Grant receivables	311.9	259.9	264.1
Analysed as:			
Current (Note 6)	99.1	28.7	26.5
Non-current	212.8	231.2	237.6
Total	311.9	259.9	264.1

Included in the grant receivables is \$311.9 million (31 December 2017 : \$259.9 million, 1 January 2017 : \$264.1 million) which is unsecured, bear effective interest at rates ranging from 4.26% to 8.19% (2017 : 4.26% to 8.19%) per annum and receivable over the period that the Group expects to retain the contract to operate the bus routes.

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****12. VEHICLES, PREMISES AND EQUIPMENT**

	Buses \$'mil	Leasehold land and building * \$'mil	Other leasehold land and buildings \$'mil	Freehold land and buildings \$'mil
The Group				
Cost or valuation*:				
At 1 January 2017	2,179.8	63.8	367.3	177.7
Additions	118.2	–	6.5	7.6
Disposals	(34.2)	–	(1.1)	(1.2)
Reclassifications/Transfers from capital projects in progress	12.1	–	0.1	15.2
Exchange differences	4.8	–	(0.7)	0.2
At 31 December 2017	2,280.7	63.8	372.1	199.5
Arising from acquisition of subsidiaries	204.5	–	5.9	27.2
Additions	134.9	0.1	30.6	28.1
Disposals	(68.1)	–	(27.6)	–
Reclassifications/Transfers from capital projects in progress	0.4	–	2.8	–
Exchange differences	(75.0)	–	(2.8)	(15.4)
At 31 December 2018	2,477.4	63.9	381.0	239.4
Accumulated depreciation and impairment:				
At 1 January 2017	814.8	1.5	242.1	15.7
Depreciation	145.3	4.7	11.8	2.1
Impairment loss	–	–	–	–
Disposal	(32.6)	–	(1.0)	–
Exchange differences	2.0	–	(0.3)	0.1
At 31 December 2017	929.5	6.2	252.6	17.9
Arising from acquisition of subsidiaries	92.1	–	1.2	0.2
Depreciation	152.3	4.7	12.2	2.5
Reversal of impairment loss	–	–	–	–
Disposal	(62.1)	–	(16.4)	–
Exchange differences	(30.7)	–	(1.5)	(0.9)
At 31 December 2018	1,081.1	10.9	248.1	19.7
Carrying amount:				
At 31 December 2018	1,396.3	53.0	132.9	219.7
At 31 December 2017	1,351.2	57.6	119.5	181.6
At 1 January 2017	1,365.0	62.3	125.2	162.0

* A leasehold land and building at a bus depot is stated at revalued amount being the fair value at the date of revaluation based on valuation performed by an independent external valuer. The revaluation was done by a subsidiary pursuant to the agreement in the Negotiated Contract under the Bus Contracting Model (Note 35) in Singapore. As at 31 December 2018, the carrying amount of the leasehold land and building would have been \$19.7 million (31 December 2017 : \$21.3 million, 1 January 2017 : \$23.0 million), had the depot been carried at cost less accumulated depreciation.

Taxis and motor vehicles for rental \$'mil	Computers and automated equipment \$'mil	Workshop machinery, tools and equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
1,816.3	246.0	174.9	33.0	42.3	3.9	5,105.0
181.6	10.3	37.3	2.9	2.8	26.4	393.6
(432.4)	(36.3)	(2.5)	(1.8)	(0.8)	–	(510.3)
4.1	5.0	(18.0)	–	–	(18.5)	–
(4.8)	0.7	0.2	–	(0.2)	–	0.2
1,564.8	225.7	191.9	34.1	44.1	11.8	4,988.5
0.3	0.4	7.9	12.5	1.0	–	259.7
92.0	8.9	16.7	6.0	3.6	31.9	352.8
(166.3)	(50.6)	(37.7)	(4.2)	(1.4)	(2.0)	(357.9)
23.2	1.8	3.7	–	0.4	(32.3)	–
(5.7)	(3.2)	(3.8)	(0.8)	(0.5)	(0.1)	(107.3)
1,508.3	183.0	178.7	47.6	47.2	9.3	5,135.8
853.2	195.9	116.7	18.1	32.2	–	2,290.2
207.3	16.6	13.8	3.6	2.7	–	407.9
1.3	–	–	–	–	–	1.3
(361.1)	(34.4)	(2.3)	(1.6)	(0.7)	–	(433.7)
(2.4)	0.5	0.3	–	–	–	0.2
698.3	178.6	128.5	20.1	34.2	–	2,265.9
0.1	0.4	4.3	5.1	0.4	–	103.8
185.7	14.9	13.5	4.5	2.7	–	393.0
(1.1)	–	–	–	–	–	(1.1)
(132.9)	(50.1)	(10.1)	(2.9)	(0.4)	–	(274.9)
(3.2)	(2.6)	(2.5)	(0.4)	(0.4)	–	(42.2)
746.9	141.2	133.7	26.4	36.5	–	2,444.5
761.4	41.8	45.0	21.2	10.7	9.3	2,691.3
866.5	47.1	63.4	14.0	9.9	11.8	2,722.6
963.1	50.1	58.2	14.9	10.1	3.9	2,814.8

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****12. VEHICLES, PREMISES AND EQUIPMENT (cont'd)**

Buses of the Group with total carrying amounts of \$87.8 million (31 December 2017 : \$89.3 million, 1 January 2017 : \$50.3 million) and \$57.0 million (31 December 2017 : \$88.7 million, 1 January 2017 : \$97.2 million) are under finance lease arrangements and secured for bank loans respectively as disclosed in Note 16.

Of the carrying amount of taxis and motor vehicles for rental of \$761.4 million (31 December 2017 : \$866.5 million, 1 January 2017 : \$963.1 million), \$674.0 million (31 December 2017 : \$786.4 million, 1 January 2017 : \$885.6 million) relates to taxis. The remaining balance of \$87.4 million (31 December 2017 : \$80.1 million, 1 January 2017 : \$77.5 million) relates to motor vehicles for rental. During the financial year, the Group carried out a review of the recoverable amount of its taxis. The review led to a reversal of impairment of \$1.1 million (provision for impairment in 31 December 2017 : \$1.3 million, 1 January 2017 : \$2.5 million) that had been recognised in Profit or Loss. The recoverable amount of the taxis has been determined on the basis of their value in use.

	Leasehold buildings \$'mil	Computers and automated equipment \$'mil	Motor vehicles \$'mil	Furniture, fittings and equipment \$'mil	Capital projects in progress \$'mil	Total \$'mil
The Company						
Cost:						
At 1 January 2017	60.6	5.3	0.4	8.2	–	74.5
Additions	0.2	0.4	0.3	0.7	–	1.6
Disposals	–	(1.2)	–	(0.1)	–	(1.3)
At 31 December 2017	60.8	4.5	0.7	8.8	–	74.8
Additions	–	0.6	–	0.1	0.2	0.9
Disposals	(7.6)	(1.0)	–	–	–	(8.6)
At 31 December 2018	53.2	4.1	0.7	8.9	0.2	67.1
Accumulated depreciation:						
At 1 January 2017	54.7	4.5	0.1	7.2	–	66.5
Depreciation	1.7	0.5	0.1	0.3	–	2.6
Disposals	–	(1.2)	–	–	–	(1.2)
At 31 December 2017	56.4	3.8	0.2	7.5	–	67.9
Depreciation	1.9	0.4	0.2	0.2	–	2.7
Disposals	(7.6)	(1.0)	–	–	–	(8.6)
At 31 December 2018	50.7	3.2	0.4	7.7	–	62.0
Carrying amount:						
At 31 December 2018	2.5	0.9	0.3	1.2	0.2	5.1
At 31 December 2017	4.4	0.7	0.5	1.3	–	6.9
At 1 January 2017	5.9	0.8	0.3	1.0	–	8.0

13. TAXI LICENCES

	The Group	
	2018 \$'mil	2017 \$'mil
Cost:		
At beginning of year	266.0	272.0
Additions	15.4	–
Disposals	(0.5)	–
Exchange differences	(8.7)	(6.0)
At end of year	272.2	266.0
Accumulated amortisation:		
At beginning of year	54.1	54.3
Amortisation for the year	1.3	0.9
Disposals	(0.5)	–
Exchange differences	(1.6)	(1.1)
At end of year	53.3	54.1
Carrying amount:		
At end of year	218.9	211.9
At beginning of year	211.9	217.7

Of the carrying amount of \$218.9 million (31 December 2017 : \$211.9 million, 1 January 2017 : \$217.7 million) is \$196.1 million (31 December 2017 : \$187.4 million, 1 January 2017 : \$191.2 million) of taxi licences in China and \$8.0 million (31 December 2017 : \$8.3 million, 1 January 2017 : \$8.2 million) of bus operating rights in the United Kingdom with indefinite lives.

The remaining balance of \$14.8 million (31 December 2017 : \$16.2 million, 1 January 2017 : \$18.3 million) relates to the taxi licences in China with finite useful lives over which the assets are amortised.

14. GOODWILL

	The Group	
	2018 \$'mil	2017 \$'mil
Cost:		
At beginning of year	428.3	427.5
Arising from acquisition of subsidiaries* (Note 38)	281.6	–
Exchange differences	(32.4)	0.8
At end of year	677.5	428.3

* Includes provisional goodwill of \$257.6 million.

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

The carrying amount of goodwill of \$677.5 million (31 December 2017 : \$428.3 million, 1 January 2017 : \$427.5 million) is allocated to the bus business in Australia of \$496.4 million (31 December 2017 : \$268.2 million, 1 January 2017 : \$268.7 million) and the United Kingdom of \$104.7 million (31 December 2017 : \$103.8 million, 1 January 2017 : \$102.6 million); taxi business in Australia of \$30.6 million (31 December 2017 : \$26.0 million, 1 January 2017 : \$26.0 million), China of \$2.9 million (31 December 2017 : \$2.9 million, 1 January 2017 : \$2.9 million), the United Kingdom of \$1.6 million (31 December 2017 : \$1.6 million, 1 January 2017 : \$1.5 million) and Vietnam of \$0.9 million (31 December 2017 : \$0.9 million, 1 January 2017 : \$0.9 million). In Singapore, the carrying amounts of goodwill of \$14.7 million is allocated to taxi business, \$10.2 million (31 December 2017 : \$9.4 million, 1 January 2017 : \$9.4 million) and \$10.5 million (31 December 2017 : \$10.5 million, 1 January 2017 : \$10.5 million) are allocated to the bus and inspection and testing businesses respectively. The remaining balance of \$5.0 million (31 December 2017 : \$5.0 million, 1 January 2017 : \$5.0 million) is allocated to vehicle leasing business in Malaysia of \$1.5 million (31 December 2017 : \$1.5 million, 1 January 2017 : \$1.5 million), inspection and testing business in China of \$3.0 million (31 December 2017 : \$3.0 million, 1 January 2017 : \$3.0 million), and driving centre business in China of \$0.5 million (31 December 2017 : \$0.5 million, 1 January 2017 : \$0.5 million).

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****15. DEFERRED TAX ASSETS/LIABILITIES**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deferred tax assets	22.3	23.3	23.6	–	–	–
Deferred tax liabilities	(249.4)	(258.5)	(252.2)	(1.3)	(1.3)	(2.3)
Net	(227.1)	(235.2)	(228.6)	(1.3)	(1.3)	(2.3)
At beginning of year	(235.2)	(228.6)	(200.9)	(1.3)	(2.3)	(2.8)
Arising from acquisition of subsidiaries	(7.2)	–	–	–	–	–
Credit (Charge) to Profit or Loss (Note 26)	16.9	(10.0)	(20.0)	–	–	0.5
Utilisation of deferred tax assets under Group Relief Scheme	(8.6)	–	–	–	–	–
Overprovision in prior years (Note 26)	1.9	3.8	1.3	–	1.0	–
Arising from movement in Other Comprehensive Income Statement	0.4	(0.3)	(10.3)	–	–	–
Exchange differences	4.7	(0.1)	1.3	–	–	–
At end of year	(227.1)	(235.2)	(228.6)	(1.3)	(1.3)	(2.3)

The balances in the accounts comprise the tax effects of:

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deferred tax assets						
Excess of book over tax depreciation	1.2	0.8	0.6	–	–	–
Provisions	0.5	0.5	3.1	–	–	–
Tax losses	20.6	22.0	19.9	–	–	–
	22.3	23.3	23.6	–	–	–
Deferred tax liabilities						
Accelerated tax depreciation	(233.8)	(290.6)	(276.1)	(1.8)	(1.8)	(1.8)
Other items	(15.6)	32.1	23.9	0.5	0.5	(0.5)
	(249.4)	(258.5)	(252.2)	(1.3)	(1.3)	(2.3)

16. BORROWINGS

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Borrowings comprise of the following:						
(a) Short-term loans	54.4	29.6	–	5.8	–	–
(b) Long-term loans	430.8	213.3	135.4	338.0	–	–
(c) Medium Term Notes	–	–	150.0	–	–	–
(d) Finance lease obligations	84.7	79.4	59.7	–	–	–
Total	569.9	322.3	345.1	343.8	–	–
Analysed as:						
Current	90.4	114.2	169.3	5.8	–	–
Non-current	479.5	208.1	175.8	338.0	–	–
Total	569.9	322.3	345.1	343.8	–	–

(a) Short-term loans

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Bank loans						
– unsecured	14.1	29.6	–	5.8	–	–
– secured	40.3	–	–	–	–	–
Total	54.4	29.6	–	5.8	–	–

The unsecured bank loans of \$14.1 million (31 December 2017 : \$29.6 million) are for a tenure ranging from 3 to 6 months (2017 : 1 to 7 months) and bear floating interest rates ranging from 1.87% to 2.35% (2017 : 1.20% to 1.30%) per annum. The secured bank loans of \$40.3 million are for a tenure ranging from 1 to 6 months and bear floating interest rates ranging from 2.67% to 2.94% per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

16. BORROWINGS (cont'd)

(b) Long-term loans

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Bank loans						
– secured	17.8	38.3	49.1	–	–	–
Bank loans						
– unsecured	413.0	175.0	66.6	338.0	–	–
Loan from a non-controlling shareholder of a subsidiary – unsecured	–	–	19.7	–	–	–
Total	430.8	213.3	135.4	338.0	–	–
Less: Amount due for settlement within 12 months (shown as current liabilities):						
Bank loans						
– secured	(16.7)	(20.1)	(10.7)	–	–	–
Bank loans						
– unsecured	–	(50.0)	(0.3)	–	–	–
Total	(16.7)	(70.1)	(11.0)	–	–	–
Amount due for settlement after 12 months	414.1	143.2	124.4	338.0	–	–

16. BORROWINGS (cont'd)**(b) Long-term loans (cont'd)**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
The borrowings are repayable as follows:						
On demand or						
within one year	16.7	70.1	11.0	–	–	–
In the second year	414.1	18.2	86.5	338.0	–	–
In the third year	–	125.0	18.2	–	–	–
After five years	–	–	19.7	–	–	–
Total	430.8	213.3	135.4	338.0	–	–

- (i) The \$17.8 million (31 December 2017 : \$38.3 million, 1 January 2017 : \$49.1 million) secured bank loans are secured on buses (see Note 12). The loans bear floating interest at rates ranging from 3.40% to 4.00% (2017 : 3.06% to 3.40%) per annum.
- (ii) The \$75.0 million (31 December 2017 : \$125.0 million, 1 January 2017 : \$50.0 million) unsecured bank loan bears fixed interest at 1.91% (2017 : 1.91% to 2.53%) per annum and the remaining \$338.0 million (31 December 2017 : \$50.0 million, 1 January 2017 : \$16.6 million) bears floating interest rates ranging from 2.27% to 2.39% (2017 : 1.47% to 1.54%) per annum.
- (iii) The unsecured loan from a non-controlling shareholder of a subsidiary bore a floating interest at rate of 3.27% per annum. The loan had been fully repaid in prior financial year.
- (iv) The fair values of the Group's long term loans approximate their carrying amount.

(c) Medium Term Notes

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Medium Term Notes – unsecured	–	–	150.0

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****16. BORROWINGS (cont'd)****(d) Finance lease obligations**

	The Group					
	Minimum lease payments			Present Value of minimum lease payments		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Amounts payable under finance leases:						
Within one year	22.7	18.5	12.5	19.3	14.5	8.3
Within the second to fifth year inclusive	71.1	72.9	57.1	65.4	64.7	47.0
After five years	–	0.7	5.8	–	0.2	4.4
	93.8	92.1	75.4	84.7	79.4	59.7
Less: Future finance charges	(9.1)	(12.7)	(15.7)	NA	NA	NA
Present value of finance lease obligations	84.7	79.4	59.7	84.7	79.4	59.7
Amount due for settlement within 12 months (shown under current liabilities)				(19.3)	(14.5)	(8.3)
Amount due for settlement after 12 months				65.4	64.9	51.4

It is the Group's policy to lease certain of its buses under finance leases. The lease terms range from 5 to 15 years (2017 : 5 to 15 years). For the year ended 31 December 2018, the effective borrowing rates vary from 1.85% to 8.44% (2017 : 1.85% to 8.44%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

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

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

16. BORROWINGS (cont'd)**(e) Reconciliation of liabilities arising from financing activities**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group Cash Flow Statement as cash flows from financing activities.

	1 January 2018 \$'mil	Financing cash flows ⁽ⁱ⁾ \$'mil	Non-cash changes			31 December 2018 \$'mil
			Acquisition of subsidiaries \$'mil	Exchange differences \$'mil	New finance leases \$'mil	
Loans	242.9	244.7	1.6	(4.0)	–	485.2
Finance lease obligations	79.4	(29.2)	12.2	(5.5)	27.8	84.7
Total	322.3	215.5	13.8	(9.5)	27.8	569.9

	1 January 2017 \$'mil	Financing cash flows ⁽ⁱ⁾ \$'mil	Non-cash changes			31 December 2017 \$'mil
			Acquisition of subsidiaries \$'mil	Exchange differences \$'mil	New finance leases \$'mil	
Loans	285.4	(42.7)	–	0.2	–	242.9
Finance lease obligations	59.7	(8.8)	–	0.3	28.2	79.4
Total	345.1	(51.5)	–	0.5	28.2	322.3

⁽ⁱ⁾ The cash flows make up the net amount of new loans raised and repayment of borrowings in the Group Cash Flow Statement.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****17. TRADE AND OTHER PAYABLES**

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Outside parties	234.9	229.2	232.5	7.0	0.7	1.0
Accruals	384.3	358.7	365.0	11.4	20.0	47.2
Deposits received						
– current [Note 20(a)]	50.7	58.3	62.3	0.1	0.1	0.8
Deferred income						
from customers	16.4	17.8	36.6	–	–	–
Due to subsidiaries	–	–	–	150.5	223.3	407.9
Due to associate	–	8.9	14.3	–	8.9	14.3
Others	4.7	4.4	6.8	–	–	0.9
Total	691.0	677.3	717.5	169.0	253.0	472.1

The credit period on purchases of goods and services ranges from 7 days to 120 days (2017 : 7 days to 120 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

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

Of the amount of \$150.5 million (31 December 2017 : \$223.3 million, 1 January 2017 : \$407.9 million) due to subsidiaries, \$135.7 million (31 December 2017 : \$105.3 million, 1 January 2017 : \$285.9 million) represents funds under central pooling which bear variable interest at rates ranging from 1.10% to 2.31% (2017 : 1.02% to 1.27%) per annum are unsecured and repayable on demand. The remaining balance of \$14.8 million (31 December 2017 : \$118.0 million, 1 January 2017 : \$122.0 million) is interest-free, unsecured and repayable on demand.

At 31 December 2017, amount due to associate of \$8.9 million (1 January 2017 : \$14.3 million) represented funds under central pooling which bore variable interest at rates ranging from 1.17% to 1.30% per annum are unsecured and repayable on demand.

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

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
USD	8.5	10.1	13.6	–	–	–
Others	1.1	2.1	1.0	–	–	–

18. DEFERRED GRANTS

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deferred grants	362.5	301.5	297.5
Analysed as:			
Current	91.4	19.1	17.9
Non-current	271.1	282.4	279.6
Total	362.5	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	
	2018 \$'mil	2017 \$'mil
At beginning of year	62.2	65.8
Charges	14.8	17.7
Arising from acquisitions of subsidiaries	0.7	–
Payments	(25.2)	(21.5)
Exchange differences	(0.5)	0.2
At end of year	52.0	62.2

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
The balance comprises provision for:			
Insurance premiums	–	3.2	6.6
Accident claims	52.0	59.0	59.2
Total	52.0	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).

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

20. OTHER LIABILITIES

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Other liabilities comprised:						
(a) Deposits received	64.5	60.7	69.8	–	–	–
(b) Provision for service benefits and long service awards	15.6	15.2	15.2	0.1	0.1	0.1
(c) Retirement benefits obligations	0.2	–	5.7	–	–	–
Total	80.3	75.9	90.7	0.1	0.1	0.1

(a) Deposits received

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Deposits received from taxi hirers	115.2	119.0	132.1
Less: Due within 12 months (Note 17)	(50.7)	(58.3)	(62.3)
Due after 12 months	64.5	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.

(b) Provision for service benefits and long service awards

	The Group		The Company	
	2018 \$'mil	2017 \$'mil	2018 \$'mil	2017 \$'mil
At beginning of year	15.2	15.2	0.1	0.1
Charges	2.2	1.9	–	–
Payments	(1.8)	(1.9)	–	–
At end of year	15.6	15.2	0.1	0.1

20. OTHER LIABILITIES (cont'd)**(c) Retirement benefits obligations**

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

	The Group		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
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	144.7	149.9	147.8
Fair value of plan assets at end of year	(144.5)	(153.1)	(142.1)
Net liability recognised in other liabilities (non-current) at end of year	0.2	–	5.7
Net asset recognised in other receivables (non-current) at end of year (Note 6)	–	(3.2)	–

21. SHARE CAPITAL

	The Group and The Company			
	2018 Number of ordinary shares (million)	2017	2018 \$'mil	2017 \$'mil
Issued and paid-up:				
At beginning of year	2,163.6	2,156.9	688.2	676.9
Exercise of share options	1.8	6.7	2.9	11.3
At end of year	2,165.4	2,163.6	691.1	688.2

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

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****22. OTHER RESERVES**

	The Group		The Company	
	2018 \$'mil	2017 \$'mil	2018 \$'mil	2017 \$'mil
Merger reserve:				
At beginning and end of year	31.4	31.4	31.4	31.4
Statutory reserve:				
At beginning of year	32.0	29.9	–	–
Transfer from accumulated profits	3.3	2.1	–	–
At end of year	35.3	32.0	–	–
Retirement benefit reserve:				
At beginning of year	(34.0)	(39.0)	–	–
Actuarial adjustment on defined benefit plans	(5.4)	5.0	–	–
At end of year	(39.4)	(34.0)	–	–
Investment revaluation reserve:				
At beginning of year	(60.4)	(38.3)	(64.5)	(46.3)
Fair value gain (loss) on investments	1.0	(22.1)	0.7	(18.2)
At end of year	(59.4)	(60.4)	(63.8)	(64.5)
Hedging reserve:				
At beginning of year	–	(9.8)	–	–
Fair value (loss) gain on cash flow hedges	(2.3)	9.8	–	–
At end of year	(2.3)	–	–	–
Others:				
At beginning of year	115.2	49.2	0.7	1.6
Exercise of share options	(0.3)	(0.9)	(0.3)	(0.9)
Adjustment arising from acquisition interests in subsidiaries	0.3	66.8	–	–
Others	0.1	0.1	–	–
At end of year	115.3	115.2	0.4	0.7
Net	80.9	84.2	(32.0)	(32.4)

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

Included in investment revaluation reserve is a cumulative amount of \$59.4 million (31 December 2017 : \$60.6 million, 1 January 2017 : \$38.7 million) that upon disposal will not be reclassified subsequently to Profit or Loss.

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

23. REVENUE

Revenue comprises the following amounts:

	The Group	
	2018 \$'mil	2017 \$'mil
Public transport services	2,711.0	2,400.9
Taxi	726.5	804.7
Automotive engineering services	166.1	171.1
Inspection and testing services	107.5	100.7
Others	94.1	99.0
	3,805.2	3,576.4

Majority of the contracts relates to provision of public transport services to the transport regulators in Singapore, Australia and the United Kingdom for periods ranging from 2 years to 8 years.

The Group has the right to consideration from customers in amounts that corresponds directly with the performance of the services completed.

24. STAFF COSTS

- (a) The remuneration of the Directors (executive and non-executive) and key executives comprises mainly of short-term benefits amounting to \$7.6 million (2017 : \$7.4 million).

	The Group	
	2018 \$'mil	2017 \$'mil
(b) Cost of defined contribution plan (included in staff costs)	151.1	143.7

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

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

Share option schemes

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****24. STAFF COSTS (cont'd)****(c) Share-based payments (included in staff costs) (cont'd)**

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

(i) The Company

	2018		2017	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	6,174,000	1.47	13,040,000	1.51
Lapsed during the year	(600,000)	1.42	(100,000)	2.26
Exercised during the year	(1,785,000)	1.51	(6,766,000)	1.55
Outstanding at the end of the year	3,789,000	1.45	6,174,000	1.47
Exercisable at the end of the year	3,789,000	1.45	6,174,000	1.47

The weighted average share price at the date of share options being exercised during the year was \$2.29 (2017 : \$2.59). The options outstanding at the end of the year have an average remaining contractual life of 2.8 years (2017 : 3.3 years).

(ii) SBS Transit Ltd

	2018		2017	
	Number of share options	Weighted average exercise price \$	Number of share options	Weighted average exercise price \$
Outstanding at the beginning of the year	1,040,000	1.91	3,085,000	2.49
Lapsed during the year	(222,500)	1.78	(1,215,000)	3.34
Exercised during the year	(585,000)	2.10	(830,000)	1.98
Outstanding at the end of the year	232,500	1.58	1,040,000	1.91
Exercisable at the end of the year	232,500	1.58	1,040,000	1.91

The weighted average share price at the date of share options being exercised during the year was \$2.60 (2017 : \$2.60). The options outstanding at the end of the year have a weighted average remaining contractual life of 0.5 years (2017 : 0.9 years).

25. FINANCE COSTS

	The Group	
	2018 \$'mil	2017 \$'mil
Interest expense on:		
Loans and Medium Term Notes	7.1	6.5
Finance leases	4.3	4.3
Total	11.4	10.8

26. TAXATION

	The Group	
	2018 \$'mil	2017 \$'mil
Taxation charge (credit) comprises:		
Taxation charge in respect of profit for the financial year:		
Current taxation	102.9	70.1
Deferred taxation relating to the origination and reversal of temporary differences (Note 15)	(16.9)	10.0
	86.0	80.1
Adjustments in respect of (over) under provision in prior years:		
Current taxation	(3.6)	0.2
Deferred taxation (Note 15)	(1.9)	(3.8)
	80.5	76.5

Domestic income tax is calculated at 17% (2017 : 17%) of the estimated assessable profit for the year. Taxation for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

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

	The Group	
	2018 \$'mil	2017 \$'mil
Profit before Taxation	439.3	425.4
Income tax expense calculated at 17% (2017 : 17%)	74.7	72.3
Effect of items that are not taxable in determining taxable profit	(1.2)	(5.0)
Effect of different tax rates of subsidiaries operating in other jurisdictions	11.5	13.4
Tax rebates	(0.1)	(0.1)
Tax effect of share of results of associate	–	(0.8)
Utilisation of deferred tax benefits previously not recognized	(0.1)	–
Overprovision in prior years	(5.5)	(3.6)
Other items	1.2	0.3
	80.5	76.5

Subject to agreement with the relevant tax authorities, certain subsidiaries have tax losses that are not recognised amounting to \$4.7 million (2017 : \$1.3 million) and the resultant deferred tax benefits of \$1.2 million (2017 : \$0.3 million). These future income tax benefits in respect of unutilised tax losses are available for an unlimited future period only if the respective subsidiaries derive future assessable income of a nature and of sufficient amounts to enable the benefits to be realised and the conditions for deductibility imposed by law, including the retention of majority shareholders, as defined, are complied with. No deferred tax asset has been recognised due to the unpredictability of future profit streams of these subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****27. PROFIT AFTER TAXATION**

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

	The Group	
	2018	2017
	\$'mil	\$'mil
Amortisation of taxi and other licences	1.3	0.9
Depreciation expense	393.0	407.9
(Reversal of)/Provision for impairment on vehicles (included in other operating costs)	(1.1)	1.3
Net gain on disposal of vehicles, premises and equipment	(15.9)	(5.2)
Directors' fees	1.4	1.3
Audit fees:		
Auditors of the Company	0.5	0.5
Auditors of subsidiaries	0.9	0.7
Non-audit fees:		
Auditors of the Company	0.2	0.4
Auditors of subsidiaries	0.1	0.1

28. EARNINGS PER SHARE

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

	2018	2017
Net profit attributable to shareholders of the Company (\$'mil)	303.3	301.5
Weighted average number of ordinary shares in issue (million)	2,164.6	2,160.7
Basic earnings per share (in cents)	14.01	13.95

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

	2018	2017
Net profit attributable to shareholders of the Company (\$'mil)	303.3	301.5
Weighted average number of ordinary shares in issue (million)	2,164.6	2,160.7
Adjustments for share options (million)	1.3	2.2
Weighted average number of ordinary shares for the purpose of diluted earnings per share (million)	2,165.9	2,162.9
Diluted earnings per share (in cents)	14.00	13.94

29. SEGMENT INFORMATION

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****29. SEGMENT INFORMATION (cont'd)****(i) Business Segments**

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Elimination \$'mil	Total \$'mil
Financial Year 2018									
REVENUE									
External sales	2,711.0	726.5	166.1	107.5	43.3	26.7	24.1	–	3,805.2
Inter-segment sales	1.3	–	95.6	3.0	0.2	–	–	(100.1)	–
Total	2,712.3	726.5	261.7	110.5	43.5	26.7	24.1	(100.1)	3,805.2
RESULT									
Operating Profit	216.5	129.4	25.3	39.8	11.8	4.9	11.1	–	438.8
Net Income from Investments									11.8
Finance Costs									(11.4)
Share of Profit in Associate									0.1
Profit before Taxation									439.3
Taxation									(80.5)
Profit after Taxation									358.8
Non-Controlling Interests									(55.5)
Profit Attributable to Shareholders of the Company									303.3
OTHER INFORMATION									
Additions to vehicles, premises and equipment	196.9	96.8	2.8	26.2	2.5	27.0	0.6	–	352.8
Additions to taxi licences	–	15.4	–	–	–	–	–	–	15.4
Additions to goodwill	262.0	19.6	–	–	–	–	–	–	281.6
Depreciation expense	180.3	186.2	2.2	6.7	2.0	14.0	1.6	–	393.0
Amortisation expense	–	1.3	–	–	–	–	–	–	1.3
(Reversal of)/Provision for impairment loss recognised in Income Statement	–	(1.4)	–	–	–	0.3	–	–	(1.1)

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 2017									
REVENUE									
External sales	2,400.9	804.7	171.1	100.7	42.0	31.4	25.6	–	3,576.4
Inter-segment sales	1.4	–	112.3	3.3	0.2	0.1	–	(117.3)	–
Total	2,402.3	804.7	283.4	104.0	42.2	31.5	25.6	(117.3)	3,576.4
RESULT									
Operating Profit	180.1	134.0	33.9	32.6	9.8	6.9	11.9	–	409.2
Net Income from Investments									22.4
Finance Costs									(10.8)
Share of Profit in Associate									4.6
Profit before Taxation									425.4
Taxation									(76.5)
Profit after Taxation									348.9
Non-Controlling Interests									(47.4)
Profit Attributable to Shareholders of the Company									301.5
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

29. SEGMENT INFORMATION (cont'd)

(i) Business Segments (cont'd)

	Public transport services \$'mil	Taxi \$'mil	Automotive engineering services \$'mil	Inspection and testing services \$'mil	Driving centre \$'mil	Car rental and leasing \$'mil	Bus station \$'mil	Total \$'mil
1 January 2017								
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

(ii) Geographical Segments

	Revenue		Non-current assets*			Additions to non-current assets*		
	2018 \$'mil	2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	2018 \$'mil	2017 \$'mil	
Geographical Location								
Singapore	2,241.4	2,108.6	1,577.0	1,741.6	1,897.4	178.3	213.8	
United Kingdom/ Ireland	891.0	855.6	529.1	497.2	438.5	85.4	95.8	
Australia	503.4	423.6	1,155.5	795.5	776.4	338.1	54.3	
China	163.5	179.2	317.4	317.0	330.5	46.9	29.1	
Vietnam	3.3	6.8	4.6	7.5	12.8	0.2	0.1	
Malaysia	2.6	2.6	4.1	4.0	4.4	0.9	0.5	
Total	3,805.2	3,576.4	3,587.7	3,362.8	3,460.0	649.8	393.6	

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****30. COMMITMENTS**

As at 31 December 2018, the Group has the following commitments:

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

	The Group	
	2018	2017
	\$'mil	\$'mil
Purchase of equipment	17.3	37.3
Purchase of buses, taxis and motor vehicles	172.2	66.2
Purchase of computer systems	7.7	6.0
Development of bus depots and properties	7.1	18.6
Total	204.3	128.1

31. OPERATING LEASE ARRANGEMENTS**The Group as lessee**

	The Group	
	2018	2017
	\$'mil	\$'mil
Minimum lease payment under operating leases recognised as expense in the year	37.9	43.5

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

	The Group		The Company	
	2018	2017	2018	2017
	\$'mil	\$'mil	\$'mil	\$'mil
Within one year	33.3	30.9	3.1	3.5
In the second to fifth year inclusive	58.8	64.5	–	2.9
After five years	37.7	48.6	–	–
Total	129.8	144.0	3.1	6.4

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 \$182.1 million (2017 : \$189.5 million).

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

	The Group	
	2018	2017
	\$'mil	\$'mil
Within one year	174.9	171.0
In the second to fifth year inclusive	338.2	340.4
After five years	0.2	30.3
Total	513.3	541.7

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	The Group			The Company		
	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil	31 December 2018 \$'mil	31 December 2017 \$'mil	1 January 2017 \$'mil
Financial Assets						
Amortised cost	1,289.5	1,207.2	1,335.1	529.9	154.7	334.5
Debt instruments						
classified as at FVTOCI	–	10.4	10.6	–	5.2	5.3
Equity instruments						
classified as at FVTOCI	29.6	28.7	52.3	19.0	18.3	36.4
Financial instruments designated in hedge accounting relationship						
– Hedging instruments	–	–	0.4	–	–	0.3
Financial Liabilities						
Amortised cost	1,393.2	1,137.7	1,219.1	512.9	253.1	472.2
Financial instruments designated in hedge accounting relationship						
– Hedging instruments	3.5	–	12.5	–	–	–

(b) Financial risk management policies and objectives

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

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

(i) Foreign exchange risk management

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

Foreign currency sensitivity

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

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)****(b) Financial risk management policies and objectives (cont'd)****(ii) Interest rate risk management**

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

Interest rate sensitivity

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

(iii) Credit risk management

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

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

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

(iv) Liquidity risk management

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

(v) Fuel price risk management

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

Based on sensitivity analysis performed and taking into account the fuel hedges in place, as at the end of the reporting year, every one percentage point change in the rates of diesel and electricity using the closing rates as at the end of the reporting year as a basis will impact the Group's annual fuel and electricity costs by \$0.5 million (2017 : \$0.6 million). The sensitivity analysis assumes that consumption is held constant at the same level as in 2018.

32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)**(b) Financial risk management policies and objectives (cont'd)****(vi) Fair values of financial assets and financial liabilities**

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

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

- a. quoted prices in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (Level 3).

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

(c) Hedging instruments

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

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

At the end of the reporting year, the Group has outstanding fuel and foreign exchange hedge with notional amounts totalling \$47.8 million (1 January 2017 : \$59.1 million).

At the end of the prior year, the Group had no outstanding fuel and foreign exchange hedges.

The fair value of the Group's hedging instruments, based on market prices for equivalent instruments at the end of the reporting year, comprised \$3.5 million of liabilities was matched by an equivalent fair value adjustment on cash flow hedges in Other Comprehensive Income.

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

The Group uses fuel hedging contracts to manage its exposure to fuel price risks. These arrangements are designed to address fuel price exposure on future purchases of fuel and are accounted for as cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****32. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)****(d) Capital risks management policies and objectives**

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

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

No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 2017.

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

	Carrying Amount \$'mil	Contractual cash flows			Effective interest rate %	
		Total \$'mil	Within 1 year \$'mil	Within 2 to 5 years \$'mil		Beyond 5 years \$'mil
31 December 2018						
Financial liabilities						
Loans:						
In functional currencies	484.7	490.5	73.8	416.1	0.6	1.9% – 3.4%
Finance leases:						
In functional currencies	84.7	86.6	20.1	66.5	–	1.9% – 8.4%
Total	569.4	577.1	93.9	482.6	0.6	
31 December 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	
1 January 2017						
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:

	2018 \$'mil	2017 \$'mil
Tax-exempt one-tier final dividend in respect of the previous financial year: – 6.05 cents (2017 : 6.05 cents) per ordinary share	130.9	130.8
Tax-exempt one-tier interim dividend in respect of the current financial year: – 4.35 cents (2017 : 4.35 cents) per ordinary share	94.2	94.1
Total	225.1	224.9

(b) Subsequent to the end of the financial year, the Directors of the Company recommended that a tax-exempt one-tier final dividend of 6.15 cents per ordinary share totalling \$133.2 million be paid for the financial year ended 31 December 2018. The dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and hence the proposed dividend has not been accrued as a liability for the current financial year.

Together with the tax-exempt one-tier interim dividend of 4.35 cents per ordinary share (2017 : 4.35 cents per ordinary share), total distributions paid and proposed in respect of the financial year ended 31 December 2018 will be 10.50 cents per ordinary share (2017 : 10.40 cents per ordinary share).

34. LICENCE FOR RAIL SERVICES

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

Licence Prior To 1 April 2018

A licence dated 15 January 2003 was issued by Land Transport Authority (“LTA”) to a subsidiary, SBS Transit Ltd (“SBST”) under which SBST is licensed to operate the North-East Mass Rapid Transit System and the Sengkang and Punggol Light Rapid Transit Systems (collectively referred to as the “Licensed Systems”) for an initial period of 30 years, with a possible extension of a further 30 years subject to the approval of the LTA. Under this licence, the LTA funds the first set of the operating assets. SBST has the obligation, to acquire the first set of the operating assets at the net book values as recorded in the latest audited accounts of the LTA, at dates and times determined by the LTA during a joint review of the viability of the Licensed Systems by LTA and SBST. In addition, SBST has to fund all additions, renewals and replacement of operating assets required during the licence period. SBST had surrendered this licence on 31 March 2018 following the transition of the Licenced Systems to the New Rail Financing Framework under which a new licence has been granted with effect from 1 April 2018.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****34. LICENCE FOR RAIL SERVICES (cont'd)****New Licence Under the New Rail Financing Framework ("NRFF")**

With effect from 1 April 2018, SBST has been granted a new licence to operate the Licensed Systems under the New Rail Financing Framework ("NRFF") for a period of 15 years. If SBST applies for an extension, LTA may extend the term of the new licence for a further five years subject to terms and conditions as LTA may impose and SBST may accept.

The NRFF is an asset-light model whereby the LTA will make the capital investments in operating assets and thereby retain the ability and flexibility to decide on the additions, renewals and replacements and undertake long term planning for the rapid transit system network. It allows the LTA to respond more promptly to commuter needs, while relieving SBST of the cost of asset renewal and upgrade, and of procuring additional operating assets when ridership demand increases, in order to meet service level and reliability standards. The NRFF was first implemented in 2011 when SBST was awarded the tender for the Downtown Line.

With the transition to the NRFF, SBST will no longer need to buy over the first set of operating assets from the LTA. Going forward, LTA will also own and pay for the operating assets, including additions, renewals and replacements. In conjunction with the transition to the NRFF, SBST had entered into Sale and Purchase Agreements with the LTA on 14 February 2018 for the sale of certain operating assets required for the operation of the Licensed Systems which were purchased by SBST prior to the transition. The aggregate consideration for the sale was based on the respective net book values of such assets on the date of transfer amounted to \$29,210,000.

In exchange for the right to operate, maintain and derive revenue from the Licensed Systems, SBST will pay an annual licence charge to the LTA over the licence period. The licence charge structure under the NRFF provides for some sharing between SBST and the LTA of revenue risks under the Fare Revenue Shortfall Sharing ("FRSS") as well as profit sharing via an Earnings Before Interest and Tax ("EBIT") Cap/Collar. These are explained below:

(i) Fare Revenue Shortfall Sharing ("FRSS")

The licence charge structure has a FRSS mechanism which offers some level of protection against revenue risks arising from uncertainties in ridership and fares. Under this mechanism, if the actual revenue falls short of the target revenue by 2% to 6%, LTA will share 50% of the shortfall. If the shortfall between the actual revenue and the target revenue exceeds 6%, LTA will bear 75% of the incremental revenue shortfall beyond 6%.

(ii) Earnings Before Interest & Tax ("EBIT") Cap/Collar

The licence charge structure provides for profit sharing via an EBIT cap and collar mechanism whereby LTA shares in the upside of the EBIT above the cap as well as the downside risks below the collar. If the EBIT margin is lower than 3.50%, LTA will share 50% of the shortfall. LTA's sharing of the shortfall is limited by the amount of licence charge payable by SBST for the year. If the EBIT margin exceeds the cap of 5%, the excess will be shared via a tiered structure, whereby 85% to 95% of the incremental EBIT above the 5% cap will be shared with LTA.

34. LICENCE FOR RAIL SERVICES (cont'd)

New Licence Under the New Rail Financing Framework ("NRFF") (cont'd)

(ii) Earnings Before Interest & Tax ("EBIT") Cap/Collar (cont'd)

LTA's sharing under the FRSS and/or the EBIT Cap/Collar is limited by the amount of licence charge payable by SBST for the year.

In addition, the LTA may reimburse or be reimbursed by SBST when new regulatory changes initiated by LTA after the transition lead to changes in operating costs or revenue. Regulatory changes that may impact operating costs or revenue include modifications to operating performance standards for the rail lines, maintenance performance standards for the operating assets, key performance indicators or codes of practice and changes in rentable and advertising spaces available for generating non-fare revenue.

Downtown Line MRT System

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

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

- (a) The licence is for a period of 19 years commencing from 20 December 2013. LTA may, if it deems fit, renew the licence for such further period with revised terms and conditions of the renewed licence.
- (b) The licence fee payable to LTA is prescribed under the subsidiary of SBST legislation of the Rapid Transit Systems Act during the Licence Term.
- (c) The subsidiary of SBST shall pay LTA a licence charge which consists of Fixed Charge and Revenue Share Charge. A yearly Fixed Charge is payable from financial year 2019 to end of licence period. If the Operating Surplus minus the Fixed Charge for a financial year is more than the Threshold Profit, the subsidiary of SBST shall pay Revenue Share Charge.
- (d) After the commencement of revenue service of the last stage, the subsidiary of SBST shall pay LTA a Cash-Bid Amount if the Net Operating Surplus for a financial year is more than the Threshold Profit.
- (e) All Operating Assets shall remain the property of LTA except for Spares, Special Tools, Non-Proprietary Items and End Devices purchased by the subsidiary of SBST during the Licence Term.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****35. CONTRACT UNDER THE BUS CONTRACTING MODEL (“BCM”)**

A subsidiary, SBST entered into public bus services contracts (collectively known as the “Negotiated Contract”) with LTA for the operation of public bus services under the BCM. The Negotiated Contract was effective from 1 September 2016 following the expiry of the Bus Service Operating Licence on 31 August 2016. Under the Negotiated Contract, SBST operates a total of 8 bus packages with an average contract period of 7 years. The respective contracted expiry dates of the 8 bus packages (subject to any further extension that may be granted at the sole discretion of LTA) are as follows: Bukit Merah (2018), Sengkang-Hougang (2021), Bedok (2023), Jurong West (2024), Tampines (2024), Serangoon-Eunos (2025), Clementi (2025) and Bishan-Toa Payoh (2026).

As part of the Negotiated Contract, SBST leases its fleet of close to 2,900 buses to LTA. In consideration of SBST using its fleet for the provision of the bus services, LTA pays a leasing fee based on the depreciation of the buses over the statutory lifespan. LTA also pays a leasing fee for the use of the other existing assets of SBST (bus depot and related equipment) based on the depreciation of such assets.

Subsequent to the Negotiated Contract, SBST was awarded the Seletar Bus Package in April 2017 and the Bukit Merah Bus Package (the first among the 8 bus packages within the Negotiated Contract to expire) in February 2018 respectively through the tender process conducted by LTA. Both bus packages secured through the tender process have a contract period of five years which can be extended by another two years. The Seletar and Bukit Merah Bus Packages had commenced operations from March 2018 and November 2018 respectively.

Including the two bus packages secured through tender, SBST operates a total of 9 bus packages which cover a total of 222 bus services, 7 bus depots, 1 bus park, 17 bus interchanges and 14 bus terminals. The fleet size required to operate the 9 packages is around 3,500 buses.

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

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

- (a) Operate, manage and maintain the buses and their on-board equipment;
- (b) Operate, and maintain the bus interchanges, bus depots including the equipment and systems therein;
- (c) Charge and collect fares as approved by the Public Transport Council, on behalf of LTA, for travel on the bus services;
- (d) Provide bus service information at all bus stops and bus interchanges served by the bus services; and
- (e) Provide customer management services, such as lost and found service, and a hotline for commuter feedback and enquiries.

36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS

Details of subsidiaries and associates are as follows:

(a) Subsidiaries

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Quoted equity shares					
SBS Transit Ltd ⁽²⁷⁾	Provision of public bus and rail services	Singapore	74.48	74.62	74.82
VICOM Ltd ⁽²⁷⁾	Investment holding and provision of motor vehicle evaluation and other related services	Singapore	67.06	67.06	67.06
Unquoted equity shares					
Braddell Limited ⁽³⁾	Investment holding	United Kingdom	100	100	100
CityCab Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	53.50	53.50	53.50
Comfort (China) Pte Ltd	Investment holding	Singapore	100	100	100
ComfortDelGro Bus Pte Ltd	Provision of charter bus services, rental of buses to hirers and other related services	Singapore	100	100	100
ComfortDelGro (China) Pte Ltd	Investment holding	Singapore	100	100	100
ComfortDelGro Driving Centre Pte Ltd	Operation of a driving school	Singapore	90	90	90
ComfortDelGro Engineering Pte Ltd	Operation of workshops for repairing, servicing and general maintenance of motor vehicles and dealer in diesel for motor vehicles	Singapore	100	100	100
ComfortDelGro Rent-A-Car Pte Ltd	Provision of car rental, car care and leasing services	Singapore	100	100	100
ComfortDelGro (S.E. Asia) Pte Ltd	Investment holding	Singapore	100	100	100

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31 DECEMBER 2018

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Unquoted equity shares (cont'd)					
Comfort Transportation Pte Ltd	Provision of public taxi services through the rental of taxis to hirers	Singapore	100	100	100
SBS (Guangzhou) Pte Ltd	Inactive	Singapore	100	100	100
Moove Media Pte Ltd	Provision of advertising services	Singapore	100	100	100
CityFleet Networks Limited ⁽¹⁸⁾	Provision and management of taxi booking services	United Kingdom	100	100	55.72
Swan Taxis Pty Ltd ⁽³⁾	Provision of taxi services	Australia	100	100	100
ComfortDelGro Corporation Australia Pty Ltd ⁽³⁾	Investment holding and provision of management services	Australia	100	100	55.72
ComfortDelGro Insurance Brokers Pte Ltd ⁽²⁵⁾	Insurance broking, risk management, claims management and related activities	Singapore	100	49	49
ComfortDelGro Ventures Pte Ltd ⁽²⁸⁾	Investment holding	Singapore	100	–	–
Subsidiary of SBS Transit Ltd:					
SBS Transit DTL Pte Ltd	Provision of public rail services	Singapore	74.48	74.62	74.82
Subsidiaries of VICOM Ltd:					
JIC Inspection Services Pte Ltd	Vehicle inspection and other related services	Singapore	52.31	52.31	52.31
Setsco Services Pte Ltd	Provision of testing, inspection and consultancy services	Singapore	67.06	67.06	67.06
VICOM Inspection Centre Pte Ltd	Provision of vehicle inspection services	Singapore	67.06	67.06	67.06

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiaries of Setsco Services Pte Ltd:					
Setsco Services (M) Sdn Bhd ⁽¹⁾	Provision of testing, inspection and consultancy services	Malaysia	67.06	67.06	67.06
Setsco Consultancy International Pte Ltd	Provision of professional inspection and engineering services	Singapore	67.06	67.06	67.06
SETS Services DMCC ⁽¹⁶⁾	Building inspection services	United Arab Emirates	67.06	67.06	67.06
Subsidiary of Comfort (China) Pte Ltd:					
Suzhou Comfort Taxi Co., Ltd ⁽²⁾	Provision of taxi services	China	70	70	70
Subsidiaries of Braddell Limited:					
ComfortDelGro Irish Citylink Limited ⁽³⁾	Provision of coach services	Ireland	100	100	100
Metroline Limited ⁽³⁾	Investment holding	United Kingdom	100	100	100
Metroline Rail Limited ⁽²⁶⁾	Inactive	United Kingdom	100	100	100
Scottish Citylink Coaches Limited ⁽³⁾	Provision of long distance coach services	United Kingdom	65	65	65
New Adventure Travel Limited ^{(17) (21)}	Provision of public bus and coach services	United Kingdom	100	–	–
Subsidiaries of Metroline Limited:					
Metroline Travel Limited ⁽³⁾	Provision of public bus services	United Kingdom	100	100	100
Metroline West Limited ⁽³⁾	Provision of public bus services	United Kingdom	100	100	100
Subsidiary of Scottish Citylink Coaches Limited:					
Megacity Limited ⁽²⁶⁾	Inactive	United Kingdom	65	65	65

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiary of CityCab Pte Ltd:					
Cabcharge Asia Pte Ltd	Provision of charge card facilities	Singapore	46.92	46.92	46.92
Subsidiary of Moove Media Pte Ltd:					
Moove Media Australia Pty Ltd ⁽⁷⁾	Provision of advertising services	Australia	100	100	100
Subsidiaries of CityFleet Networks Limited:					
Computer Cab (Edinburgh) Limited ⁽²⁶⁾	Inactive	United Kingdom	100	100	55.72
Computer Cab plc ⁽¹⁸⁾	Provision of taxi services	United Kingdom	100	100	55.72
Computer Cab (Aberdeen) Limited ⁽¹⁸⁾	Provision of taxi services	United Kingdom	100	100	55.72
Flightlink International Limited ⁽¹⁸⁾	Provision of private hire services	United Kingdom	100	100	55.72
Computer Cab (Birmingham) Limited	Inactive	United Kingdom	–	–	55.72
Central Dispatch Limited ⁽²⁰⁾	Inactive	United Kingdom	100	100	55.72
Computer Cab (Liverpool) Limited ⁽¹⁸⁾	Provision of taxi services	United Kingdom	100	100	55.72
Westbus Coach Services Limited ⁽¹⁸⁾	Provision of coach services	United Kingdom	100	100	55.72
Subsidiary of Computer Cab (Edinburgh) Limited:					
Onward Travel Limited ⁽²⁶⁾	Inactive	United Kingdom	100	100	55.72
Subsidiary of Computer Cab plc:					
Cabcharge Limited ⁽¹⁸⁾	Provision and management of taxi booking card facilities	United Kingdom	100	100	55.72

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
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	55
Beijing Tian Long Da Tian Vehicle Inspection Co., Ltd ⁽⁵⁾	Inactive	China	80	80	80
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd ⁽⁸⁾	Operation of a driving school	China	95	95	95
Chengdu ComfortDelGro Taxi Co., Ltd ⁽⁸⁾	Provision of public taxi services through the rental of taxis to hirers	China	100	100	100
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd ⁽⁸⁾	Inactive	China	51	51	51
Chongqing ComfortDelGro Driver Training Co., Ltd ⁽⁹⁾	Inactive	China	100	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	100
ComfortDelGro Rent-A-Car (Chengdu) Co., Ltd ⁽⁸⁾	Provision of cars for hire	China	100	100	100
Guangzhou Xin Tian Wei Transportation Development Co., Ltd ⁽¹⁰⁾	Provision of bus station services	China	60	60	60
Jilin ComfortDelGro Taxi Co., Ltd ⁽¹¹⁾	Provision of public taxi services through the rental of taxis to hirers	China	97	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	70

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiaries of ComfortDelGro (China) Pte Ltd (cont'd):					
Nanjing ComfortDelGro Xixia Driver Training Co., Ltd ^{(26) (28)}	Operation of a driving school	China	60	–	–
Nanning Comfort Transportation Co., Ltd ⁽¹²⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	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	51
Shenyang ComfortDelGro Taxi Co., Ltd ⁽⁴⁾	Provision of public taxi services through the rental of taxis to hirers	China	80	80	80
Subsidiary of Chengdu ComfortDelGro Taxi Co., Ltd:					
Chengdu ComfortDelGro Shengduo Consulting Co., Ltd ⁽⁸⁾	Inactive	China	100	100	100
Subsidiary of Chongqing ComfortDelGro Driver Training Co., Ltd:					
Chongqing Liangjiang ComfortDelGro Driver Training Co., Ltd ⁽⁹⁾	Inactive	China	100	90	90
Subsidiaries of ComfortDelGro (S.E. Asia) Pte Ltd:					
CityLimo Leasing (M) Sdn Bhd ⁽¹³⁾	Provision of car leasing services	Malaysia	100	100	100
Pantas Rent-A-Car Holdings Sdn Bhd ⁽¹⁹⁾	Inactive	Malaysia	–	100	100
Vietnam Taxi Co., Ltd ⁽³⁾	Provision of taxi services	Vietnam	70	70	70
ComfortDelGro Savico Taxi Company ⁽²⁰⁾	Inactive	Vietnam	60	60	60
Subsidiary of Swan Taxis Pty Ltd:					
ComfortDelGro Swan Pty Ltd ⁽³⁾	Provision of taxi services	Australia	100	100	–

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiaries of ComfortDelGro Corporation Australia Pty Ltd:					
Westbus Region 1 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
Westbus Region 3 Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
Hillsbus Co Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
Hunter Valley Buses Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Travel Pty Ltd ^{(3) (24)}	Provision of charter, coach and terminal services	Australia	100	100	55.72
CDC Victoria Pty Ltd ⁽³⁾	Investment holding	Australia	100	100	55.72
Baypalm Pty Limited ⁽³⁾	Investment holding	Australia	100	100	55.72
Blue Mountains Transit Pty Ltd ⁽³⁾	Provision of public bus and charter services	Australia	100	100	55.72
Western Sydney Repair Centre Pty Ltd ⁽³⁾	Provision of accident and other repair and maintenance services	Australia	100	51	28.42
CDC Commercial Bus Company Pty Ltd ^{(3) (22)}	Provision of public bus and charter services	Australia	100	100	55.72
FCL Holdings Pty Limited ^{(3) (21)}	Investment holding	Australia	100	–	–
National Patient Transport Pty Ltd ^{(3) (21)}	Investment holding	Australia	100	–	–
Buslink Pty Ltd ^{(3) (21)}	Investment holding	Australia	100	–	–
Buslink Southern Pty Ltd ^{(3) (21)}	Investment holding	Australia	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiaries of CDC Victoria Pty Ltd:					
CDC Sunshine Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Geelong Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Oakleigh Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Wyndham Pty Ltd ^{(3) (23)}	Provision of public bus services	Australia	100	100	55.72
CDC Altona Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Ballarat Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Eastrans Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72
CDC Tullamarine Pty Ltd ^{(3) (21)}	Provision of public bus services	Australia	100	–	–
Subsidiary of Baypalm Pty Limited:					
Qcity Transit Pty Ltd ⁽³⁾	Provision of public bus services	Australia	100	100	55.72

36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)**(a) Subsidiaries (cont'd)**

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiaries of National Patient Transport Pty Ltd:					
National Patient Transport NSW Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport Qld Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport WA Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport SA Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–
NPT Heart Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–
Platinum Healthcare Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–
National Patient Transport Vic Pty Ltd ^{(3) (21)}	Provision for non-emergency transport services to patients	Australia	100	–	–

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

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

(a) Subsidiaries (cont'd)

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Subsidiaries of FCL Holdings Pty Ltd:					
FCL Finance Pty Limited ^{(3) (21)}	Provision of public bus services	Australia	100	–	–
Forest Coach Lines Pty Limited ^{(3) (21)}	Provision of public bus services	Australia	100	–	–
Terry Hills Depot Holdings Pty Ltd ^{(3) (21)}	Investment holding	Australia	100	–	–
Subsidiaries of Buslink Pty Ltd and Buslink Southern Pty Ltd:					
Buslink Gladstone Pty Ltd ^{(3) (21)}	Provision of public bus and charter services	Australia	100	–	–
Buslink Sunshine Coast Pty Ltd ^{(3) (21)}	Provision of public bus and charter services	Australia	100	–	–
Buslink Broken Hill Pty Ltd ^{(3) (21)}	Provision of public bus and charter services	Australia	100	–	–
Buslink Sunraysia Pty Ltd ^{(3) (21)}	Provision of public bus and charter services	Australia	100	–	–
Tropic Sun Pty Ltd ^{(3) (21)}	Investment holding	Australia	100	–	–
Subsidiaries of Buslink Pty Ltd:					
Buslink NT Pty Ltd ^{(3) (21)}	Provision of public bus and charter services	Australia	100	–	–
Buslink Alice Springs Pty Ltd ^{(3) (21)}	Provision of public bus and charter services	Australia	100	–	–

36. CORPORATE INFORMATION AND RELATED COMPANY TRANSACTIONS (cont'd)**(a) Subsidiaries (cont'd)**

Note:

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

- (1) Audited by WT Ng & Co, Malaysia.
- (2) Audited by 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 TianHua Certified Public Accountants Co., Ltd, China. ComfortDelGro (China) Pte Ltd held 90% and Chengdu ComfortDelGro Taxi Co. Ltd held 10%.
- (10) Audited by Guangzhou Orient Certified Public Accountants Co., Ltd, China.
- (11) Audited by Jilin Hua Tai Certified Public Accountants Co., Ltd, China.
- (12) Audited by Guangxi Bo Hua San He Certified Public Accountants Co., Ltd, China.
- (13) Audited by Bahudin & Associates, Malaysia.
- (14) Audited by Shanghai Gong Xin Zhong Nan Certified Public Accountants Co., Ltd, China.
- (15) Audited by Ruihua Certified Public Accountants Co., Ltd, China.
- (16) Audited by Ethics Plus Public Accountants, United Arab Emirates.
- (17) Audited by Broomfield Alexander, United Kingdom.
- (18) Audited by Wilkins Kennedy LLP, United Kingdom.

Other information

- (19) Struck off during the financial year.
- (20) In the process of being struck off.
- (21) Acquired during the financial year.
- (22) Previously known as CDC NSW Region 6 Pty Ltd.
- (23) Previously known as CDC Werribee Pty Ltd.
- (24) Previously known as Charterplus Pty Ltd.
- (25) The Company has acquired the remaining shares during the year. Accordingly, ComfortDelGro Insurance Brokers Pte Ltd is now a wholly-owned subsidiary of the Company.
- (26) These subsidiaries are insignificant and unaudited.
- (27) Listed on the Singapore Exchange Securities Trading Limited.
- (28) Incorporated during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2018

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

(a) Subsidiaries (cont'd)

Compliance with Listing Rules:

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

(b) Associates

Name of entity	Principal activity	Country of incorporation/ operations	Group's effective interest		
			31 December 2018 %	31 December 2017 %	1 January 2017 %
Unquoted equity shares					
Phillip Boyle & Associates Pty Ltd ⁽¹⁾	Provision of consultancy services for bus planning and scheduling activities	Australia	49	49	49
Gobbler Pte Ltd ⁽²⁾	Sales of goods bartered from the provision of advertising services	Singapore	40	40	40

Note:

⁽¹⁾ Audited by Complete Audit Pty Ltd, Australia. The associate is insignificant.

⁽²⁾ The associate is insignificant and unaudited.

(c) Related company transactions

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

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

37. RELATED PARTY TRANSACTIONS

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

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

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

	The Group	
	2018 \$'mil	2017 \$'mil
Expenses	–	1.2

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

38. ACQUISITIONS OF NEW SUBSIDIARIES

On 7 August 2018, the Group acquired 100% of the issued share capital of FCL Holdings Pty Limited ("FCL") for cash consideration of \$131.5 million. This transaction has been accounted for by the acquisition method of accounting.

FCL is an entity incorporated in Australia with its principal activity being provider of transport services, namely bus, school and non-school charter services. The Group acquired FCL primarily for expansion of its bus operations in New South Wales.

On 5 November 2018, the Group acquired 100% of the issued share capital of Buslink Pty Ltd and Buslink Southern Pty Ltd ("the Buslink Companies") for cash consideration of \$192.5 million. This transaction has been accounted for by the acquisition method of accounting.

The Buslink Companies are entities incorporated in Australia with principal activities being provider of transport services, namely public bus, school bus and charter bus services. The Group acquired the Buslink Companies primarily to extend its footprint into the Northern Territory and Queensland markets and also strengthen its bus operations in New South Wales and Victoria.

During the year, the Group acquired issued share capital of other entities such as ComfortDelGro Insurance Brokers Pte Ltd ("CDGI"), National Patient Transport Pty Ltd ("NPT"), CDC Tullamarine Pty Ltd ("TBL"), ComfortDelGro Swan Pty Ltd ("CDGS") and New Adventure Travel Limited ("NAT") for cash consideration of \$103.6 million. These transactions have been accounted for by the acquisition method of accounting.

CDGI is an entity incorporated in Singapore with its principal activity being provider of insurance broking, risk management, claims management and related services. The Group acquired CDGI primarily to reduce the insurance premium for taxi fleets and enhance insurance benefits for taxi fleets.

NPT, TBL and CDGS are entities incorporated in Australia with principal activities being provider of repair and maintenance services, non-emergency patient transport, transport services and taxi plate management respectively. NAT is an entity incorporated in the United Kingdom with principal activity being provider of public bus and coach services. The Group acquired these entities primarily for expansion.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****38. ACQUISITIONS OF NEW SUBSIDIARIES (cont'd)****Consideration transferred (at acquisition date fair values)**

	2018
	\$'mil
FCL	131.5
The Buslink Companies	192.5
Others	103.6
Total	427.6

Acquisition-related costs have been excluded from the consideration transferred and have been recognised as an expense in the period, within the "Other operating costs" line item in the Group Income Statement.

Assets acquired and liabilities assumed at the date of acquisition

	2018
	\$'mil
Current assets	108.4
Non-current assets	158.2
Current liabilities	(96.3)
Non-current liabilities	(24.3)
Net assets acquired and liabilities assumed	146.0
Goodwill arising on acquisitions	281.6

Of the \$146.0 million net assets acquired and liabilities assumed, 39.0% and 38.9% relates to FCL and The Buslink Companies respectively.

Goodwill arose in the acquisitions because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Of the \$281.6 million goodwill arising from acquisitions, \$257.6 million relates to provisional goodwill for certain acquisitions. The finalisation of the goodwill amount is dependent on the completion of the valuation of net assets acquired.

None of the goodwill arising on these acquisitions is expected to be deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries

	2018
	\$'mil
Consideration paid in cash	427.6
Less: Cash and cash equivalent balances acquired	(8.8)
	418.8

Impact of acquisitions on the results of the Group

Had the business combination during the year been effected at 1 January 2018, the operating profit of the Group from continuing operations would have been \$465.5 million.

39. ADOPTION OF A NEW FINANCIAL REPORTING FRAMEWORK

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the SFRS(I)s, that is identical to the International Financial Reporting Standards ("IFRS") for annual periods beginning on or after 1 January 2018.

The Group has adopted a new financial reporting framework, SFRS(I)s on 1 January 2018 and has prepared its financial information under SFRS(I)s for the year ended 31 December 2018. In adopting SFRS(I)s, the Group is required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group's and Company's opening Statements of Financial Position under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

The Group has applied the option to reset the cumulative foreign currency translation differences for all foreign operations to zero at the date of transition to SFRS(I) on 1 January 2017. As a result, a cumulative foreign currency translation loss of \$125.5m was reclassified from foreign currency translation reserve to accumulated profits as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation differences that arose before the date of transition.

In accordance with the requirements of SFRS(I) 1 effective for the financial year beginning on or after 1 January 2018, the Group has adopted SFRS(I) 15 *Revenue from Contracts with Customers* retrospectively.

The effect of the initial application of SFRS(I) 15 are presented and explained below.

Group Income Statement for the year ended 31 December 2017

	As previously reported \$'mil	Adoption of SFRS(I) 15 \$'mil	Note	As restated \$'mil
Revenue	3,970.9	(394.5)	(a),(b)	3,576.4
Contract services	(521.9)	363.4	(b)	(158.5)
Taxi drivers' benefits	(43.8)	43.8	(a)	–
Other operating costs	(63.0)	(12.7)	(a)	(75.7)
Other costs	(2,933.0)	–		(2,933.0)
Operating Profit	409.2	–		409.2

Explanatory Notes:

- (a) Certain benefits and incentives payable to taxi drivers, previously accounted for as taxi drivers' benefits, are within the scope of SFRS(I) 15. Under SFRS(I) 15, such incentives and benefits are treated as variable consideration, and effectively reduce the amount of revenue recognised. The remaining taxi drivers' benefits are reclassified to Other operating costs.
- (b) Under SFRS(I) 15, the Group assessed that it acts as an agent in the delivery of certain contract services. Accordingly the Group recognises as revenue the net fee which it is entitled to, in exchange for arranging for the delivery of such services.

The transition to SFRS(I) and the initial application of SFRS(I) 15 have no impact to the Group Operating Profit and the Group Cash Flow Statement. The adoption of SFRS(I)s has no material impact on the Group's Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****40. GROUP PROPERTIES**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE					
ComfortDelGro Corporation Limited	100	Braddell Road	66,445 sq m	30 years 7 years 8 months unexpired	Head office, bus depot, vehicle workshop
SBS Transit Ltd	74.48	Soon Lee Road	26,670 sq m	30 years 11 years 3 months unexpired	Bus depot
SBS Transit Ltd	74.48	Defu Ave 1	74,236 sq m	38 years from 1 January 1983 2 years unexpired	Bus depot
SBS Transit Ltd	74.48	Bedok North Avenue 4	62,220 sq m	Under Temporary Occupation Licence	Bus depot
SBS Transit Ltd	74.48	Bukit Batok Street 23	52,187 sq m	43 years from 1 January 1983 7 years unexpired	Bus depot
SBS Transit Ltd	74.48	Ayer Rajah Crescent	17,939 sq m	Under Temporary Occupation Licence	Bus park
SBS Transit Ltd	74.48	Ang Mo Kio Street 63	63,955 sq m	26 years from 1 March 1994 1 years 2 months unexpired	Bus depot
VICOM Ltd	67.06	Sin Ming Drive	10,853 sq m	30 years from January 2011 22 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	Kaki Bukit Avenue 4	9,797 sq m	30 years from January 1997 with option to renew another 30 years 8 years unexpired	Inspection, assessment services
VICOM Ltd	67.06	No. 511 Bukit Batok Street 23	9,625 sq m	30 years October 1995 with option to renew another 30 years 6 years 9 months unexpired	Inspection, testing and assessment services
VICOM Ltd	67.06	Changi North Crescent	6,015 sq m	30 years from May 1995 6 years 4 months unexpired	Inspection services

40. GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
VICOM Ltd	67.06	Yishun Industrial Park A	5,190 sq m	60 years from 1983 24 years 6 months unexpired	Inspection services
VICOM Ltd	67.06	Yishun Industrial Park A	1,105 sq m	30 years from July 2013 24 years 6 months unexpired	Inspection services
Setsco Services Pte Ltd	67.06	No. 531 Bukit Botok Street 23	7,554.5 sq m	7 years from October 2018 with option renew another 30 years 6 years 9 months unexpired	Testing, inspection and consultancy services
JIC Inspection Services Pte Ltd	52.31	Pioneer Road	9,190 sq m	30 years from December 1994 5 years 11 months unexpired	Inspection services
JIC Inspection Services Pte Ltd	52.31	Ang Mo Kio Street 63	2,145 sq m	3 years from March 2014 renewed for another 3 years from March 2017 1 year 2 months unexpired	Inspection services
Comfort Transportation Pte Ltd	100	Sin Ming Drive	19,523 sq m	60 years 16 years 7 months unexpired	Office, workshop
CityCab Pte Ltd	53.50	Sin Ming Avenue	24,499 sq m	30 years 4 years 3 months unexpired	Office, workshop
ComfortDelGro Engineering Pte Ltd	100	Loyang Drive	12,021 sq m	58 years 33 years 4 months unexpired	Office, workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Ubi Road 3	7,734 sq m	22 years 6 years 9 months unexpired	Workshop, diesel kiosk

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
SINGAPORE (cont'd)					
ComfortDelGro Engineering Pte Ltd	100	Senoko Loop	2,829 sq m	26 years 7 years 9 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Pandan Road	6,522 sq m	51 years 30 years 2 months unexpired	Workshop, diesel kiosk
ComfortDelGro Engineering Pte Ltd	100	Sungei Kadut Way	4,050 sq m	17 years 3 years 9 months unexpired	Workshop, diesel kiosk
CHINA					
Guangzhou Xin Tian Wei Transportation Development Co., Ltd	60	Tianhe District Guangzhou	40,116 sq m	30 years 9 years unexpired	Office, bus station
Shanghai City Qi Ai Taxi Services Co., Ltd	51	Lujiabang Road Shanghai	689 sq m	50 years 30 years unexpired	Office
ComfortDelGro (China) Pte Ltd	100	Shen He Qu Qing Nian Da Jie Shenyang	115 sq m	50 years 24 years unexpired	Staff residence
Chengdu Jitong Integrated Vehicle Inspection Co., Ltd	51	Jian Cai Road Chengdu	5,057 sq m	30 years 15 years unexpired	Office
Nanning Comfort Transportation Co., Ltd	80	Ke Yuan Ave Nanning	943 sq m	45 years 37 years 8 months unexpired	Office
Chengdu ComfortDelGro Qingyang Driving School Co., Ltd	95	Wen Jia Red Mill Village Chengdu	113,334 sq m	10 years 4 years unexpired	Driving test centre
Jilin ComfortDelGro Taxi Co., Ltd	97	Cheng Nan Street Jilin City High-tech Zone	18,013.55 sq m	50 years 44 years unexpired	Office

40. GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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 1 year and 5 months unexpired	Office, fitting bay
Computer Cab (Liverpool) Limited	100	Falkland Street Liverpool L3 8HB	610 sq m	99 years 79 years 7 months unexpired	Office, fleet dept
Westbus Coach Services Limited	100	Spring Grove Road Hounslow London TW3 4BE	352 sq m	5 years 1 month unexpired	Office, fitting bay
Metroline Limited	100	Pemberton Gardens Holloway London N19 5RR	17,968 sq m	Freehold	Bus depot
Metroline Limited	100	Edgware Road Cricklewood London NW2 6JP	13,800 sq m	Freehold	Bus depot
Metroline Limited	100	High Street Potters Bar Herts EN6 5BE	11,614 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Willesden London NW10 2JY	9,874 sq m	Freehold	Bus depot
Metroline Limited	100	High Road Harrow Weald London HA3 6EJ	5,706 sq m	Freehold	Bus depot
Metroline West Limited	100	Ealing Road Wembley HA0 4LL	4,996 sq m	Freehold	Bus depot
New Adventure Travel Limited	100	Coaster Place Cardiff CF10 4XZ	6,070 sq m	Freehold	Bus depot
New Adventure Travel Limited	100	Brecon Road, Abercrave Swansea SA9 1TN	6,070 sq m	Freehold	Workshop

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
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

40. GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Pacific Highway Heatherbrae NSW	32,403 sq m	Freehold	Site for bus building plant
ComfortDelGro Corporation Australia Pty Ltd	100	Foundry Road Seven Hills NSW	36,810 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Lee Holm Drive St Mary's NSW	27,960 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Old Bathurst Road Emu Heights NSW	5,599 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Megalong Street Katoomba NSW	3,780 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Great Western Highway Valley Heights NSW	10,102 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	4,285 sq m	Freehold	Bus, car park
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	6,635 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Industrial Avenue Hoppers Crossing Victoria	2,438 sq m	Freehold	Bus park
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	7,995 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Slough Road Altona Victoria	8,095 sq m	Freehold	Bus depot

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
ComfortDelGro Corporation Australia Pty Ltd	100	Carrington Drive Sunshine Victoria	9,804 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	North Road Oakleigh Victoria	6,527 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Edols Street Geelong Victoria	26,000 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Prosperity Drive Truganina Victoria	40,764 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	12,410 sq m	Freehold	Bus depot & Offices
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot
ComfortDelGro Corporation Australia Pty Ltd	100	Bass Street Queanbeyan NSW	4,047 sq m	Freehold	Bus depot & Offices
CDC Ballarat Pty Ltd	100	Norman Street Ballarat	47,750 sq m	Freehold	Bus depot
Swan Taxis Pty Ltd	100	Harvey Street Victoria Park WA	2,278 sq m	Freehold	Office, call centre, workshop
Buslink Pty Ltd	100	Lyons St Gladstone QLD	6,510 sq m	Freehold	Bus depot & office
Buslink Pty Ltd	100	Bartlett St Noosaville QLD	8,942 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Page St Kunda Park QLD	12,808 sq m	Freehold	Bus depot & Head office

40. GROUP PROPERTIES (cont'd)

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
Buslink Pty Ltd	100	Link Cres Coolum QLD	2,570 sq m	Freehold	Bus parking
Buslink Pty Ltd	100	Enterprise St Caloundra QLD	4,052 sq m	Freehold	Bus parking
Buslink Pty Ltd	100	Pruen Road Berrimah NT	14,100 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Berrimah Road Berrimah NT	10,117 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Challoner Road Humpty Doo NT	19,800 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
Buslink Pty Ltd	100	Kidman Street Alice Springs NT	2,020 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Tapio Avenue Dareton NSW	1,182 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Arthur Street Wentworth NSW	4,034 sq m	Freehold	Bus depot
Buslink Southern Pty Ltd	100	Corner Bathurst Street & Sandown Drive, Mildura VIC	12,543 sq m	Freehold	Bus depot
Buslink NT Pty Ltd	100	Town of Jabiru NT	3,370 sq m	15 years from February 2006 2 years 6 months unexpired	Bus depot

NOTES TO THE FINANCIAL STATEMENTS**31 DECEMBER 2018****40. GROUP PROPERTIES (cont'd)**

Held by	Group's effective interest %	Location	Approximate land area	Tenure	Usage
AUSTRALIA (cont'd)					
Forest Coach Lines Pty Limited	100	Newcastle Drive Toormina NSW	15,100 sq m	Freehold	Bus depot including office building & caretakers cottage
Forest Coach Lines Pty Limited	100	Mona Vale Rd Myoora Rd Terrey Hills NSW	16,920 sq m	Freehold	Bus depot & office
Forest Coach Lines Pty Limited	100	Hurley Dr, Coffs Harbour NSW	5,363 sq m	5 years 2 years 11 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Hawke Drive Woolgoolga NSW	4,072 sq m	5 years 2 years 11 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Inman, Cromer Woolgoolga NSW	2,000 sq m	2 years 1 year 2 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Ugoa St Narrabri NSW	1,037 sq m	5 years 3 years 8 months unexpired	Bus depot & office
Forest Coach Lines Pty Limited	100	Rose St We Waa NSW	1,682 sq m	5 years 3 years 8 months unexpired	Bus depot & office
VIETNAM					
Vietnam Taxi Co., Ltd	70	Duong So 4 KCN Tan Binh – TP Ho Chi Minh City	6,438 sq m	20 years 2 years unexpired	Office, workshop
MALAYSIA					
Setsco Services (M) Sdn Bhd	67.06	47100 Puchong Selangor Darul Ehsan	792 sq m	99 years from December 2009 89 years 11 months unexpired	Testing, inspection, consultancy services
CityLimo Leasing (M) Sdn Bhd	100	47500 Subang Jaya Industrial Estate Selangor Darul Ehsan	1,022 sq m	2 years 4 months unexpired	Office, workshop