

# EVOLUTION OF THE GROUP

From a deadly public health crisis, to disruptions from new technologies, the Group has met many challenges over the past 15 years. Each time its mettle is tested, its abilities expand and its capacities evolve. Guided by the leadership of its Board and Management, it has been powered by the imagination of its highly-trained and cohesive workforce. It has, and continues to, break barriers and attain new heights.



Founding Managing Director/Group Chief Executive Officer, Mr Kua Hong Pak, steered the Group through 14 years of trials and tribulations. He stepped down in 2017.





took over the reins of ComfortDelGro in 2003, at a time of fear and fire. Singapore was facing an outbreak of Severe Acute Respiratory Syndrome or SARS — a public health crisis unprecedented in the small, densely-packed City-state.

Because the disease was spread through droplets in the air, taxi drivers who ferried patients were at risk. In fact, on 19 April of that year, a taxi driver had died at home. The demand for taxis plummeted. In addition to their fears of ferrying patients who could be infected, taxi drivers had to worry about their daily takings.

To help them, Mr Kua cut their daily rental, lowered the cost of diesel and passed on all savings that the Government had handed out to the Group.

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

The SARS crisis cost the Group S\$30 million, but what it gained in return was beyond measure. It sealed the relationship between the Management and the cabbies, showing them that the Management would stand by them in hard times.

It is a bond that held for over 14 years with him at the helm of ComfortDelGro. Mr Kua, who stepped down in 2017, is now the Group’s Senior Advisor. In his time, he has seen the Group’s revenue double to S\$4.06 billion in 2016, from S\$2.02 billion in 2003. This is a compound annual growth rate of 5.1 per cent. The Group’s total assets grew from S\$2.67 billion to S\$5.12 billion.

Mr Kua also oversaw the Group’s international expansion. Today, it is in seven countries and the Group is now one of the biggest land transport companies in the world. In a statement announcing that Mr Kua was stepping down, Group Chairman Mr Lim Jit Poh, said: “His personal exemplary attributes of hard work, dedication, commitment and passion are qualities that have helped to propel the Group to what it is today.”

Mr Kua was instrumental in the merger between DelGro and the Comfort Group. Back in 2002, as a director on DelGro’s board, he worked with Mr Lim, then the Chairman of the Comfort Group and also a director of DelGro Corporation to bring the two companies together.

Both men saw the strength and possibilities in joining the two transport companies: economies of scale, combined financial strength and greater credibility on the international stage.

“Comfort and DelGro were competing against each other... ‘Why are we doing this? The Koreans don’t do this, the

Japanese don’t do this, why are Singapore companies doing this?’” Mr Kua said in a book commemorating the Group’s fifth anniversary.

Their prescience stood the Company in good stead. Over the years, the size, strength and combined war chests of the merged entity allowed it to weather severe headwinds.

In 2005, when oil prices hit US\$100 a barrel, it was Mr Kua who directed the Group to hedge ComfortDelGro’s fuel requirements. That action saved the Group S\$23 million, about 7 per cent of its profit before tax. He took a hands-on approach to the hedging and even while he was jogging, he would take calls about fuel-hedging decisions.

Some of his lesser known achievements include saving Metroline, the Group’s bus company in London. During a visit to the City during the early years, Mr Kua learned that the government body responsible for transport in Greater London was dissatisfied with the performance of Metroline and was planning to take back all the contracts.

Mr Kua immediately arranged to meet with the Commissioner for Transport for London. “It was a difficult meeting but the Commissioner finally agreed to give me a chance to put things right,” Mr Kua recalled at a farewell dinner held in 2017. “The rest is history and the Commissioner is, today, a good friend.”

Mr Kua was an exacting leader who expected and received excellence from his staff.

The boss-man was also a stickler for punctuality.

Mr Nicholas Yap, the Chief Executive Officer (CEO) of ComfortDelGro Corporation Australia (Victoria) recalled how, just after the merger back in 2003, Mr Kua would catch people coming in late into the office.

“We teased each other about joining ComfortDelGro Primary School,” said Mr Yap. “But it was all about discipline and hard work — an honest day’s wage for an honest day’s job.”

In running the Group, Mr Kua was helped by his good relationship with the Chairman. Speaking at the farewell dinner, Mr Lim said: “Don’t ever think that he and I have no differences. We do, but not often.”

Mr Kua enjoys driving and Mr Lim recalled how “in driving on Malaysian roads from the airport to the office, he is the driver and I am in the front seat cautioning him to drive slower as my heart races. I am stressed but he is relaxed and enjoying himself”.

However, when it comes to budget time, the roles are reversed as Mr Kua is the one stressed, while Mr Lim is relaxed. “Such is the comfort of a non-executive Chairman’s job when you have a responsible, efficient and knowledgeable Group CEO,” said Mr Lim.

During his 14 years, Mr Kua said what had been most personally gratifying was that he did not have to retrench anyone.

“Every staff member was able to go home at the end of each day, sleep peacefully and wake up in the morning knowing that his job is waiting for him. This has been my credo and I am happy to be able to live by it.”

— its first leadership change as Mr Kua Hong Pak, the Group's founding Managing Director/Group Chief Executive Officer, stepped down and Mr Yang Ban Seng, previously the Chief Executive Officer of ComfortDelGro Taxi, took over.

Mr Kua had led the Group for 14 years, since its start, and the Group's current success is in no small part due to his vision and personality. His successor, however, is no stranger to the Group. Mr Yang joined Comfort Group Limited in 1989 and has been in charge of the Group's taxi business since the merger. He too has a deep understanding of the Group's business and challenges.

In addition, Mr Kua has stayed on as the Group's Senior Advisor, providing the element of continuity, as important as the fresh thinking that Mr Yang will bring to his role.

Change amid continuity is also reflected in the make-up of the Group's Directors.

The Group has taken great pains to ensure that its Board is able to provide the best advice possible. The Group's Board is diverse in terms of expertise and knowledge, overseas business experience and leadership experience at the business, government and grassroots levels. It is also diverse in terms of age, gender and involvement in the labour movement as befitting a company whose roots lie in the unions.

To allow for fresh perspectives, board renewal is key. To this end, the Group has decided that starting from 2017, one director from each of the three listed entities will retire at each Annual General Meeting (AGM). This represents about 14 per cent of the Company's non-executive Directors.

At the 2017 AGM, Mr Tow Heng Tan retired as a Director of the Company and Mr Lee Khai Fatt, Kyle, a retired partner of Price Waterhouse and Pricewaterhouse Coopers, came on board as a non-executive Director. In August 2017, Ms Tham Ee Mern, Lilian, Head of Operations & Technology

for Asia Pacific and Chief Operating Officer for Singapore at Schroder Investment Management (Singapore), joined the Company as a non-executive Director as well. There are currently two women on the Company's nine-member Board.

The Company also ensures that Directors receive continuous education to help them do their jobs. Past workshop sessions for Directors covered topics such as major amendments to the Companies Act, changes to regulatory standards, International Financial Reporting Standards (IFRS) convergence, sustainability reporting and cyber security. These changes to the Board, from its leadership to its composition, signal our commitment to renewal and continuous education.

At a time when the transport industry faces great disruptions — but also unprecedented opportunities — the corporate landscape requires both steady hands and strong hearts to ensure that the Group continues to serve our customers and our workers well. Under a new team of leaders, we will answer the call.



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

Mr Lim has been the Chairman of ComfortDelGro since its inception in 2003. He is a former top civil servant and a Fulbright Scholar. He is also the Chairman of several non-listed companies owned by the Singapore Labour Foundation, the National Trades Union Congress (NTUC) and CapitaLand Limited Group. He has been awarded the Public Administration Medal and the Public Service Star (BBM), and has been given four awards by the NTUC, the most recent one being the Distinguished Service (Star) Award in 2014. In 2006, he was also one of the recipients of the Distinguished Science Alumni Award from the National University of Singapore. He holds a Bachelor of Science (Hons) in Physics from the University of Singapore and a Master of Education from the University of Oregon.





MANAGING DIRECTOR/  
GROUP CHIEF EXECUTIVE OFFICER

Mr Yang helmed ComfortDelGro's taxi business in Singapore before he was appointed Managing Director/Group CEO in 2017. Prior to joining the Group in 1989, Mr Yang served as Assistant Director of the Ministry of Education, Deputy Director of the Ministry of Education, Deputy Director of the Ministry of Home Affairs and the NTUC as its Secretary for Co-operatives. At the NTUC's May Day Awards in 2013, he was awarded the Medal of Commendation. He holds a Bachelor of Science (Hons) from the University of Manchester and a Master of Business Administration from the National University of Singapore.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Mr Lee is an independent director of Great Eastern Holdings Ltd, CapitaLand Mall Trust Management Ltd (Manager for CapitaLand Mall Trust), FEO Hospitality Trust Management Pte Ltd (Manager for Far East Hospitality Trust). He was a partner of Price Waterhouse and PricewaterhouseCoopers LLP for 20 years including five years as the Practice Leader for Business Advisory Services. He is a Fellow of the Institute of Chartered Accountants in England and Wales, Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. Additionally, he has a Master of Science in International Management from SOAS London and Master of Business Administration from Imperial College London.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Mr Ong is a former Member of Parliament and the former Assistant Secretary-General of the NTUC. He was involved in the trade union movement from 1980 to 2010. He holds a Bachelor of Arts (Government & Public Administration) from Nanyang University and a Master of Arts (Political Science) from the University of Arkansas.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Mr Oo was the former Executive Director of NSL Ltd and the former President and Chief Executive Officer of Natsteel Asia Pte Ltd. He has more than 30 years of experience handling export development and exports/imports to and from various overseas markets including the United States, Europe, Middle East, China, Japan, Australia and the ASEAN region. He has also sat on the boards of various public-listed and private companies in Singapore and overseas. In addition, he has been involved in negotiations for investments in China and various ASEAN countries. He holds a Bachelor of Science (Hons) in Applied Chemistry and a Diploma in Business Administration from the University of Singapore.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Ms Sum is the Deputy CEO (Strategic Alignment) of NTUC Enterprise Co-operative Limited and Managing Director (Corporate Strategy) of NTUC Fairprice Co-operative Ltd and holds directorships in the NTUC Enterprise Group. She has a Bachelor of Arts (History) from the National University of Singapore, a Master of Business Administration (Accountancy) from Nanyang Technological University, and a Master of Public Administration from Harvard University.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Ms Tham is the Head of Operations & Technology for Asia Pacific and Chief Operating Officer for Singapore at Schroder Investment Management (Singapore) Limited. Prior to joining Schroders, she was a Management Consultant with Coopers & Lybrand (now PricewaterhouseCoopers). She holds a Bachelor of Science in Information Systems from the National University of Singapore.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Dr Wang is a former Member of Parliament. He is the Chairman of HLH Group Ltd and Ezion Holdings Ltd and the Deputy Chairman of China Aviation Oil (Singapore) Corporation Ltd. He also holds directorships in other listed companies: COSCO Corporation (Singapore) Ltd and Emas Offshore Ltd. He holds a Bachelor of Engineering (Electrical Engineering) (Hons) from the University of Singapore, a Master of Science (Industrial Engineering), a Master of Science (Electrical Engineering) and a PhD (Engineering) from Stanford University, USA.



DIRECTOR (NON-EXECUTIVE & INDEPENDENT)

Mr Wong has been practising law with Ramdas and Wong since 1974. He was a Member of the Public Service Commission for 17 years and is presently the Chairman of the NTUC-U Care Fund Board of Trustees as well as the NTUC Endowment Fund Management Committee. He has been awarded the Friend of Labour Award, the Meritorious Service Award, the Distinguished Service Award and the Distinguished Service (Star) Award by NTUC. In addition, he was also awarded the Public Service Star and the Public Service Star (Bar). He holds an LL.B (Hons) from the University of Singapore and a LL.M from the University of London.