

STATEMENT BY
COMFORTDELGRO CHAIRMAN LIM JIT POH
ON THE GROUP'S LEADERSHIP CHANGE

10 February 2017 - Kua Hong Pak has decided to step down from ComfortDelGro Group on 30 April 2017 after spending about 14 years at the helm as its Founding Managing Director/Group Chief Executive Officer. I wish to place on record my deepest appreciation and also that of the Boards of Directors of ComfortDelGro Corporation Limited ("ComfortDelGro"), SBS Transit Ltd ("SBST") and VICOM Limited ("VICOM"). Accordingly, he will relinquish his positions as Managing Director/Group CEO of ComfortDelGro, Deputy Chairman, SBST and Deputy Chairman, VICOM.

2. It has been a great and rewarding journey for ComfortDelGro with Hong Pak leading the Management since inception on 29 March 2003. The Group has grown significantly to a market capitalisation of S\$5.3 billion as at end of 2016 from its initial proforma position of S\$1.2 billion upon the Merger of Comfort Group Limited and DelGro Corporation Limited in March 2003. This represents a compound annual growth rate (CAGR) of 8.7%. It has been one of the 30 component stocks of the ST Index since March 2009. Annual group revenue has since increased from S\$2.02 billion in 2003 to about S\$4.06 billion in 2016, a CAGR of 5.1% over the period 2003 – 2016. Likewise, operating profit has also increased from S\$208.7 million in 2003 to S\$462.2 million during the same period, giving a CAGR of 5.8%. Profit attributable to shareholders grew from S\$133.9 million to S\$317.1 million giving a CAGR of 6.4%. The Group's total assets have also grown from S\$2.67 billion to S\$5.12 billion with a CAGR of 4.8%.

3. The Group is now operating in seven countries (Singapore, Malaysia, Vietnam, Australia, China, United Kingdom and Ireland) with 22,048 staff and having nine business areas in (i) public transport services, (ii) taxi and taxi circuit, (iii) car rental and leasing, (iv) engineering, (v) bus depot, (vi) driving education, (vii) inspection and testing (viii) outdoor advertising and (ix) insurance broking. In particular, the Group has benefitted from Hong Pak's foresight to venture into Australia and consolidating and expanding the operations in the United Kingdom, Ireland, and China. In the latter, the number of cities has increased to 11.

4. I have had the privilege and pleasure of working with Hong Pak as the Group Non-Executive Chairman since the very beginning. It was indeed a very rare opportunity for both of us to create ComfortDelGro through the Merger of the two listed companies, Comfort Group and DelGro Corporation in 2003. As its Founding MD/Group CEO, he had to marry the two management cultures existing in the two large listed firms which had many years of historical significance and importance. Comfort Group had its roots as a taxi cooperative started by the Labour Movement. It was the largest taxi company then with a different business model. DelGro, on the other hand, had its roots in the private sector. It was an amalgamation of several small private bus companies owned by various families. It was also the largest bus company then.

5. Besides marrying the two divergent businesses and management cultures, Hong Pak had to work exceptionally hard and smart to derive the benefits of a merger. He delivered on the promise that was made in the Merger Document to both groups of shareholders in such areas as synergy of business operations, streamlining of business activities and overseas expansion. More than that, he went on to expand aggressively and successfully, both overseas and locally, so much so that ComfortDelGro is now a global Group with an admirable footprint second to none. Our vehicle fleet of 44,715 is the second largest in the world. This is indeed a unique achievement that is very remarkable and hard to replicate.

6. Hong Pak has demonstrated to the Board and management staff that for such a global Group as ComfortDelGro, he has to work very well with our partners, business associates, labour unions and the government regulators. His personal commitment to the various categories of people coming from different nationalities, cultures and legal jurisdictions, all operating in four different time zones, can only be done through significant personal sacrifice. 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.

7. He has also steered the Group through a few crises in the course of his career with us. I refer to the SARS (Severe Acute Respiratory Syndrome) in 2003 when the Group was just established, the high oil prices in 2005, the global financial crisis in 2008 and the unending and unpredictable business environment of global economy, currency fluctuations and technological changes that continually to evolve.

8. All in, the Group is very grateful and thankful to Hong Pak for leading the management team to such great heights. It now leaves the new MD/Group CEO to take it further in a very challenging environment. Hong Pak should be proud that he is stepping down at a time when he has groomed management to bring the Group to the next lap.

9. However, we will not lose his services totally. He will assume the new position of Senior Advisor helping the Group to counsel and mentor the newly appointed MD/Group CEO Yang Ban Seng and to a certain extent, help in some of the overseas operations during the transition period.

10. Ban Seng is not new to the Group. He started out with Comfort Group Limited in March 1989, or 28 years ago. He has also been in-charge of the taxi business in ComfortDelGro since Merger. Within the Group he has been a director of Comfort Transportation Pte Ltd, CityCab Pte Ltd, ComfortDelGro Engineering Pte Ltd, ComfortDelGro Rent-A-Car Pte Ltd, Moove Media Pte Ltd, CabCharge Asia Pte Ltd, Swan Taxis Pty Ltd, and Vietnam Taxi Company Limited.

11. Ban Seng, age 60 years old, has a Bachelor of Science (Hons) Degree in Statistics and Operational Research from the University of Manchester, UK and a Master in Business Administration Degree from the National University of Singapore. The Board has no doubt that he will be able to discharge his new responsibilities and duties well. On behalf of the Board of Directors, I welcome Ban Seng to the position of MD/Group CEO in ComfortDelGro and wish him well in the challenging tasks ahead. In due course, he will also be appointed as Deputy Chairman of ComfortDelGro's two listed subsidiaries, SBS Transit Ltd and VICOM Limited.

Background

ComfortDelGro is one of the world's largest land transport companies with a total fleet of over 44,700 buses, taxis and rental vehicles. Headquartered in Singapore, the Group also has operations in China, the United Kingdom, Ireland, Australia, Vietnam and Malaysia.